

RIECO INDUSTRIES LIMITED
CORPORATE IDENTIFICATION NUMBER - U24118MH1975PLC018631
BALANCE SHEET AS AT MARCH 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	1,890.4	1,676.4
(b) Capital work-in-progress	4	1.5	1.5
(c) Other intangible assets	5	111.3	146.6
(d) Intangible assets under development	5	3.6	22.0
(e) Right-of-use assets	6	581.7	329.0
(f) Financial assets			
(i) Other financial assets	7	87.3	54.1
(g) Deferred tax assets (net)	8	334.1	242.4
(h) Tax assets	9	83.1	119.0
(i) Other non-current assets	10	10.2	50.6
		3,103.2	2,641.6
II. Current assets			
(a) Inventories	11	3,867.8	4,977.1
(b) Financial assets			
(i) Trade receivables	12	6,010.9	5,692.7
(ii) Cash and cash equivalents	13	0.5	0.5
(iii) Bank balance other than (ii) above	13	165.5	409.0
(iv) Other financial assets	14	33.8	101.7
(c) Other current assets	15	6,020.8	5,648.3
		16,099.3	16,829.3
Total assets		19,202.5	19,470.9
EQUITY AND LIABILITIES			
I. Equity			
(a) Equity share capital	16	1,250.0	1,250.0
(b) Other equity	17	1,976.5	1,516.0
Total equity		3,226.5	2,766.0
II. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	199.1
(ii) Lease liabilities	32	562.4	348.3
(b) Provisions	19	189.5	242.8
		751.9	790.2
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	4,481.8	2,821.8
(ii) Lease liabilities	32	126.9	56.7
(iii) Trade payables			
(a) Dues to micro and small enterprises	20	3,167.4	2,890.6
(b) Dues to other than micro and small enterprises	20	3,088.9	4,232.8
(iv) Other financial liabilities	21	584.4	547.7
(b) Other current liabilities	22	3,690.0	5,293.8
(c) Provisions	23	67.9	31.2
(d) Current tax liabilities	10	16.8	40.1
		15,224.1	15,914.7
Total liabilities		15,976.0	16,704.9
Total equity and liabilities		19,202.5	19,470.9

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

HSGinwala
per **Huzefa Ginwala**
Partner
Membership No.: 111757



For and on behalf of the Board of Directors of Rieco Industries Limited

Vikas Bhatia
VIKAS B. BHATIA
Managing Director
DIN :01056616

Medha Gokhale
MEDHA GOKHALE
Chief Financial Officer
ICAI Membership No.: 133965

S. Padmanabhan
S. PADMANABHAN
Independent Director
DIN :00001207

Mandar M. Velankar
MANDAR M. VELANKAR
Company Secretary
ICSI Membership No.: 14469



Place: Pune
Date: May 16, 2024

Place: Pune
Date: May 16, 2024

RIECO INDUSTRIES LIMITED
CORPORATE IDENTIFICATION NUMBER - U24118MH1975PLC018631
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	24	31,618.2	22,358.3
Other income	25	40.4	95.9
Total income (i)		31,658.6	22,454.2
Expenses			
Cost of materials consumed	26	18,028.1	13,786.3
(Increase) in inventories of finished goods and work-in-progress.	27	(285.7)	(1,097.9)
Employee benefits expense	28	3,271.1	2,526.2
Finance costs	29	574.0	379.4
Depreciation and amortization expense	30	424.7	282.3
Other expenses	31	9,012.6	5,444.8
Total expenses (ii)		31,024.8	21,321.0
Profit before tax (iii) (i - ii)		633.8	1,133.2
Tax expense			
Current tax	42	265.8	311.1
Deferred tax		(91.9)	(14.0)
Total tax expense (iv)		173.9	297.1
Profit for the year (iii - iv)		459.9	836.1
Other comprehensive income			
Items that will be not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		0.8	(27.0)
Income tax effect		(0.2)	6.8
Other comprehensive income for the year (net of taxes)		0.6	(20.2)
Total comprehensive income for the year (net of taxes)		460.5	815.9
Earning per equity share			
[Nominal Value per share INR 10 (March 31, 2023 - INR 10)]			
Basic (in INR)	34	3.7	6.7
Diluted (in INR)	34	3.7	6.7

The accompanying notes form an integral part of these financial statements.

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ICAI Firm Registration Number: 324982E/E300003

HSGinwala
per Huzefa Ginwala
Partner
Membership No.: 111757



For and on behalf of the Board of Directors of Rieco Industries Limited

Vikas Bhatia
VIKAS R. BHATIA

Managing Director
DIN : 01056616

S. Padmanabhan
S. PADMANABHAN

Independent Director
DIN : 00001207



Medha Gokhale
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Chief Financial Officer
ICAI Membership No.: 133965

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RIECO INDUSTRIES LIMITED
CORPORATE IDENTIFICATION NUMBER - U24118MH1975PLC018631
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid

Particulars	Number of shares	Amount
Balance as at April 1, 2022	1,25,00,000	1,250.0
Changes in equity share capital during 2022-23	-	-
Balance as at March 31, 2023	1,25,00,000	1,250.0
Changes in equity share capital during 2023-24	-	-
Balance as at March 31, 2024	1,25,00,000	1,250.0

B. Other equity

Particulars	Reserves and Surplus				Total
	Capital Redemption Reserve	Retained earning	General Reserve	Equity contribution from holding company	
Balance as at April 1, 2022	10.0	385.3	215.5	89.3	700.1
Profit for the year	-	836.1	-	-	836.1
Other comprehensive income (net of taxes)	-	(20.2)	-	-	(20.2)
Total comprehensive income for the year	-	815.9	-	-	815.9
Balance as at March 31, 2023	10.0	1,201.2	215.5	89.3	1,516.0
Profit for the year	-	459.9	-	-	459.9
Other comprehensive income (net of taxes)	-	0.6	-	-	0.6
Total comprehensive income for the year	-	460.5	-	-	460.5
Balance as at March 31, 2024	10.0	1,661.7	215.5	89.3	1,976.5

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

H S Kinwala

per Huzefa Ginwala

Partner

Membership No.: 111757



Place: Pune

Date: May 16, 2024

For and on behalf of the Board of Directors of Rieco Industries Limited

Vikas R. Bhatia

VIKAS R. BHATIA

Managing Director

DIN :01056616

Medha Gokhale

MEDHA GOKHALE

Chief Financial Officer

ICAI Membership No.: 133965

Place: Pune

Date: May 16, 2024

S. Padmanabhan

S. PADMANABHAN

Independent Director

DIN :00001207

Mandar M. Velankar

MANDAR M. VELANKAR

Company Secretary

ICSI Membership No.: 14469

Place: Pune

Date: May 16, 2024



RIECO INDUSTRIES LIMITED
CORPORATE IDENTIFICATION NUMBER - U24118MH1975PLC018631
CASH FLOW STATEMENT FOR THE PERIOD YEAR MARCH 31, 2024

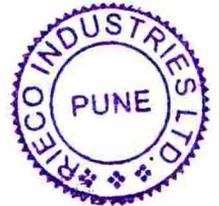
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	633.8	1,133.2
Adjustments for:		
Depreciation and amortization expense	424.7	282.3
Finance costs	574.0	379.4
Provision for vendor advances	195.6	-
Allowance for/(Reversal of) expected credit losses	(29.8)	(88.7)
Interest income	(29.1)	(53.0)
Loss on sale of property, plant and equipment	8.3	7.0
Provision for inventory obsolescence	64.8	37.1
Liabilities no longer required written back	-	(3.5)
Unrealised foreign exchange loss / (gain)	(2.1)	9.4
Operating profit before working capital changes	1,840.1	1,703.2
Working capital adjustments:		
Increase/(Decrease) in trade payables	(867.1)	2,985.8
Increase/(Decrease) in provisions	(15.7)	66.8
Increase/(Decrease) in other financial liabilities	22.2	80.3
Increase/(Decrease) in other current liabilities	(1,603.8)	2,836.5
(Increase)/Decrease in trade receivables	(288.9)	(2,138.0)
(Increase)/Decrease in inventories	1,044.5	(3,022.8)
(Increase)/Decrease in other financial assets	34.6	(38.4)
(Increase)/Decrease in other bank balances	243.5	117.0
(Increase)/Decrease in other assets	(568.0)	(2,720.5)
Cash generated from operations	(158.4)	(130.1)
Income taxes paid (net of refunds)	(253.1)	(211.5)
Net cash flow (used in) operating activities (A)	(411.5)	(341.6)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(445.5)	(790.8)
Proceeds from sale of property, plant and equipment and intangible assets	31.2	
Interest received	29.1	53.0
Net cash flow (used in) investing activities (B)	(385.2)	(737.8)
Cash flows from financing activities:		
Proceeds from current borrowings (net)	1,660.0	1,572.4
Repayment of long-term borrowings	(199.1)	(378.4)
Payment of principal portion of lease liabilities	(156.2)	(85.3)
Interest paid	(508.0)	(336.1)
Net cash flow from financing activities (C)	796.7	772.6
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(0.0)	(306.8)
Cash and cash equivalents at the beginning of the year	0.5	307.3
Cash and cash equivalents at the end of the year	0.5	0.5

Notes:

- (i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
(ii) For the purpose of cash flow, cash and cash equivalents comprise:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.5	0.5
With banks :		
On current account	-	-
Total cash and cash equivalents (refer note 13)	0.5	0.5



RIECO INDUSTRIES LIMITED
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CASH FLOW STATEMENT FOR THE PERIOD YEAR MARCH 31, 2024
 (All amounts are in INR Lakhs, unless otherwise stated)

(iii) Reconciliation of borrowing

Particulars	As at March 31, 2023	Proceeds from	Repayment of	As at March 31, 2024
Non-current borrowing	199.1	-	(199.1)	-
Current borrowing	2,622.7	1,660.0	-	4,282.7
Current maturities of non-current bowwowing	199.1	-	-	199.1

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

HSGinwala
 per Huzefa Ginwala
 Partner
 Membership No.: 111757



Place: Pune
 Date: May 16, 2024

For and on behalf of the Board of Directors of Rieco Industries Limited

Vikas R. Bhatia

VIKAS R. BHATIA
 Managing Director
 DIN :01056616

S. Padmanabhan

S. PADMANABHAN
 Independent Director
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Medha Gokhale

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 Chief Financial Officer
 ICAI Membership No.: 133965

Mandar M. Velankar

MANDAR M. VELANKAR
 Company Secretary
 ICSI Membership No.: 14469

Place: Pune
 Date: May 16, 2024



RIECO INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

1. Background

Rieco Industries Limited ("the Company") was incorporated on October 30, 1975 and is domiciled in India. The registered office of the Company is located at 1162/2 Shivaji Nagar, Behind Observatory, Pune, Maharashtra, India – 411005. The CIN of the Company is U24118MH1975PLC018631.

The Company manufactures and sells machinery and equipment for grinding solutions, clean air solutions and conveying solutions.

The financial statements of the Company for the year ended March 31, 2024 were authorised for issue in accordance with a resolution of the Board of Directors on May 16, 2024.

2. Material Accounting Policies:

2.1 Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III of the Companies Act, 2013 (the "Act") (Ind AS compliant Schedule III), as applicable to the financial statement of the Company.

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value (refer to accounting policy regarding financial instruments).

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Summary of material accounting policies:

i. Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



ii. Foreign currency translation:

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency's closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

iii. Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received on sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



RIECO INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- disclosures for valuation methods, significant estimates and assumptions (note 2.2 (xxii))
- quantitative disclosures of fair value measurement hierarchy (note 40)
- financial instruments (including those carried at amortized cost) (note 40)

iv. **Property, plant and equipment:**

(a) Recognition and measurement:

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any, and also to the costs incurred subsequently to add to, or to replace any part of, or service it.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Cost comprises of the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any, and directly attributable cost of bringing the item to its working condition for its intended use. Borrowing costs relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Cost also includes cost of replacement of part of plant and equipment if the recognition criteria are met. If significant parts of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment. The Company depreciates them separately based on their specific useful lives.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated present value of costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Machinery spares which meet the definition of PPE are capitalized and depreciated over the useful life of the principal asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Cost of assets not ready for intended use, as at the reporting date, are classified as capital work-in progress. Capital work-in progress is stated at cost, net of accumulated impairment loss, if any.



(b) Depreciation:

Depreciation on items of property, plant and equipment (except freehold land) is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013, except in respect of some assets where, useful life of assets have been determined based on technical evaluation done by the management's expert:

Asset Class	Useful Life Adopted	Useful Life as per Schedule – II
Plant and Machinery	10	15
Plant & Machinery – wooden patterns	5	15

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

v. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Company as a lessee:

(i) Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.2 (xv) Impairment of non-financial assets.

(ii) Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



RIECO INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

vi. Intangible assets and Intangible assets under development:

(a) Recognition and measurement:

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets arising from development activity are recognised at cost when the project is clearly defined and the costs are separately identified and reliably measured, on demonstration of technical feasibility of the project, the intention and ability of the Company to complete, use or sell it is demonstrated, adequate resources are available to complete the project and only if it is probable that the asset would generate future economic benefits. Such costs are capitalised as 'Technical know-how'. Otherwise it is recognised as expenses in the Statement of Profit and Loss in the period they are incurred. Subsequent to initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

(b) Amortisation:

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.



RIECO INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024**

A summary of the amortisation / depletion policies applied to the Company's other intangible assets to the extent of depreciable amount is as follows:

Asset Class	Years
Technical know-how	3
Others	3 – 9

(c) Capital work in progress (“CWIP”) and Intangible assets under development

Projects under commissioning and other CWIP items are carried at cost, comprising direct costs, related incidental expenses and eligible borrowing costs, if any. Intangible assets under development are carried at cost, comprising direct costs, directly attributable incidental expenses and eligible borrowing costs, if any. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

vii. Inventories:

Inventories are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(a) Raw materials:

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. Cost is determined on weighted average basis.

(b) Work-in-process and Finished Goods:

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials. In case finished goods inventory and work-in-progress, cost includes an appropriate share of overheads (both fixed and variable). Cost is determined on weighted average basis.

(c) Stores and spares and packing material:

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost included cost of purchase and other costs incurred in bringing the inventories to present location and condition. Cost is determined on weighted average basis.

Provision is made for obsolete and non-moving items.

viii. Cash and Cash Equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

ix. Financial Instruments

The Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets:**(i) Initial recognition and measurement:**

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in note 2.2 (xi).



Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instrument)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instrument):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company's does not have any instrument at fair value through OCI however it generally includes includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through other comprehensive income (equity instruments):

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under Ind AS 32 Financial Instruments - Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



RIECO INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Financial assets at fair value through profit or loss (FVTPL):

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(iii) De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Impairment of financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month Expected Credit Loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime Expected Credit Loss is used. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial Liabilities:

(i) Initial recognition and measurement:

All financial liabilities are recognised at fair value and, in the case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

The Company's financial liabilities include trade and other payables, loans and borrowings.

(ii) Subsequent measurement:

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.



Financial liabilities at amortised cost (Loans and borrowings)

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(c) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

x. Provisions, contingent Liabilities and contingent assets:

(a) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(b) Contingent liabilities:

Contingent liability is:

- (i) possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (ii) a present obligation that arises from past events but is not recognized because;
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

(c) Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.



RIECO INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

xi. Revenue:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2 (xxii) (d).

The Company has following streams of revenue:

(a) Revenue from projects:

The Company earns revenue primarily from manufacture and sale of pollution control equipment, size reduction equipment and pneumatic conveying systems. The equipment are customised based on specific customer requirements.

Most of the Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. In respect of customised products based on specific customer requirement, each equipment/ system is considered as a separate performance obligation.

The Company may promise to provide distinct goods or services within a contract, in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The Company uses the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation in case of contracts with more than one distinct performance obligations.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over a period of time if any of the following criteria is met:

- The customer simultaneously consumes the benefits as the Company performs, or
- The customer controls the work-in-progress, or
- The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

The Company recognizes revenue over time as the Company's performance does not create an asset with alternative use to the Company and the Company has right to payment got the performance completed till date.

The Company uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

When it becomes probable that the total contract costs will exceed the total contract revenue, the Company recognizes the expected losses from onerous contract as an expense immediately.

(b) Revenue from products:

If the criteria for revenue under over-a-period of time as mentioned above are not met, the Company recognizes revenue at a point-in-time. Revenue from sale of product is recognised at a point in time when control of the asset is transferred to the customer, on the basis of inco-terms for both domestic and export sales.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.



RIECO INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

(c) Revenue from services:

Revenue in respect of operation and maintenance contract, awarded on a basis or included in long term contracts and identified as a separate performance obligation, is recognized on a time proportion basis under the contracts.

(d) Contract balances:

(i) Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to Trade receivables on completion of milestones and its related invoicing.

(ii) Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(iii) Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration in form of advance (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies the performance obligation. Contract liabilities are recorded in balance sheet as unearned revenue and Customer advances as the case may be.

xii. Post-employment and other employee benefits:

(a) Short Term Employee Benefits:

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(b) Post-Employment Benefits:

(i) Defined contribution plans:

The contributions to provident fund are recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

(ii) Defined benefit plans:

The Company operates defined benefit plan for its employees, viz. gratuity. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method as at the date of the Balance sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to the profit or loss in subsequent periods.



(iii) Compensated absences:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

xiii. Borrowing Costs:

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset till the date the asset is ready for intended use. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended period when active development activity on the qualifying asset is suspended. Other borrowing costs are recognised as an expense in the period in which they are incurred. All borrowing costs are charged to Statement of profit and Loss for the period for which they are incurred.

xiv. Taxation:

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(a) Current Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the balance sheet date.

(b) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred Tax Assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



(c) Indirect taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xv. Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations including impairment on inventories, are recognised in the statement of profit and loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

xvi. Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



RIECO INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

xvii. Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company has identified the Managing Director as the chief operating decision maker of the Company.

xviii. Dividends:

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xix. Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs with one decimal as per the requirement of Schedule III, unless otherwise stated.

xx. New and amended standards:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual period beginning on or after April 01, 2023. The Company applied for the first-time these amendments.

(a) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(b) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have has an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statement.

(c) Deferred Tax related to Assets and Liabilities arising from Single Transaction-Amendments to Ind AS 12:

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1st April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

xxi. Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.



xxii. Significant accounting judgements, estimates and assumptions:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies note 38
- Sensitivity analysis disclosures notes 38
- Capital management note 39

Use of significant Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Determining the lease term of contracts with renewal and termination options – Company as lessee:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer note 32 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and Assumption:

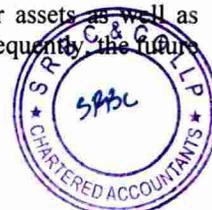
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Estimating the incremental borrowing rate to measure lease liabilities

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(b) Useful life of Property, plant and equipment and intangible assets :

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's property, plant and equipment and intangible assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets, as well as anticipation of future events, which may impact their life, such as changes in technology. Consequently, the future



depreciation charge could be revised and may have an impact on profit for future years. The policy for the same has been explained in note 2.2 (iv) and 2.2 (vi).

(c) Recognition of deferred tax assets:

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under note 2.2 (xiv).

(d) Determination of timing of satisfaction of performance obligations:

At each reporting date, for projects, the Company is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete on such contracts requires the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in progress, billings in excess of costs, estimated earnings and accrued contract expenses.

The Company concluded that sale of goods is to be recognised at a point in time because it does not meet the criteria for recognising revenue over a period of time. The Company has applied judgement in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices. The goods manufactured by the Company are on the basis of the open purchase order as on date and the order expected to be received. Further, the dispatch of goods are dispatch as per the terms mentioned in the purchase order.

(e) Defined benefit obligation:

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

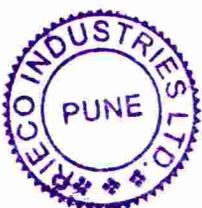
The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in Note 2.2 (xii).

(f) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets. The policy for the same has been explained in note 2.2 (ix).

(g) Provision for inventory obsolescence:

The Company identifies slow and non-moving stock of all inventories on an ongoing basis. These materials are then classified based on their expected shelf life to determine the possibility of utilisation / liquidation of these materials. Based on this study, a provision for slow and non-moving inventory is created.



RIECO INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

(h) Litigation:

The Company has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations or cashflows. The Company's legal team regularly analyses current information about these matters and assesses the requirement for provision for probable losses including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, the management considers the degree of probability of an unfavourable outcome and the ability to make sufficiently reliable estimate of the amount of loss. The filing of a lawsuit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate. Considering the facts on hand and the current stage of certain ongoing litigations the Company foresees a remote risk of any material claim arising from claims against the Company. The Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Company.



3 Property, plant and equipment

A) Reconciliation of carrying amount

Particulars	Freehold land	Leasehold Improvements	Buildings	Plant and Equipment	Vehicles	Furniture and fixtures	Office Equipments	Total
Gross carrying amount as at April 1, 2022	0.6	-	147.1	671.8	106.7	40.7	51.5	1,018.3
Additions	-	44.0	483.2	467.5	39.9	64.7	16.7	1,116.0
Disposals	-	-	2.4	1.8	-	-	-	4.2
Gross carrying amount as at March 31, 2023	0.6	44.0	627.9	1,137.5	146.6	105.4	68.2	2,130.1
Accumulated depreciation as at April 1, 2022	-	-	31.2	191.0	59.9	6.0	13.1	301.1
Depreciation for the year	-	0.9	12.0	110.7	14.4	6.6	10.3	154.9
Disposals	-	-	0.9	1.5	-	-	-	2.3
Accumulated depreciation as at March 31, 2023	-	0.9	42.3	300.2	74.3	12.6	23.4	453.7
Net carrying amount as at March 31, 2023	0.6	43.1	585.6	837.3	72.3	92.8	44.8	1,676.4

Particulars	Freehold land	Leasehold Improvements	Buildings	Plant and Equipment	Vehicles	Furniture and fixtures	Office Equipments	Total
Gross carrying amount as at April 1, 2023	0.6	44.0	627.9	1,137.5	146.6	105.4	68.2	2,130.1
Additions	-	57.2	7.3	374.0	23.2	15.7	8.3	485.7
Disposals	-	-	-	19.9	82.3	4.5	-	106.7
Gross carrying amount as at March 31, 2024	0.6	101.2	635.2	1,491.6	87.5	116.6	76.5	2,509.1
Accumulated depreciation as at April 1, 2023	-	0.9	42.3	300.2	74.3	12.6	23.4	453.7
Depreciation for the year	-	5.6	28.8	158.9	18.8	11.2	13.6	236.9
Disposals	-	-	-	2.7	65.0	-	4.3	71.9
Accumulated depreciation as at March 31, 2024	-	6.5	71.1	456.4	28.1	23.8	32.7	618.7
Net carrying amount as at March 31, 2024	0.6	94.7	564.1	1,035.2	59.4	92.8	43.8	1,890.4

B) The Company has pledged certain property and equipments against borrowing, the details of which have been given in the note 18.

C) The title deeds of all the immovable properties are held in the name of the Company.

D) The Company has not revalued its property, plant and equipment during the financial year ended March 31, 2024 and March 31, 2023.

E) Assets include assets lying with third parties amounting to INR 15.27 lakhs (March 31, 2023: INR 25.6 lakhs)

4 Capital work-in-progress

A) Reconciliation of carrying amount

Particulars	Amount
Gross carrying amount as at April 1, 2022	276.8
Additions	195.6
Transferred to Property, plant and equipment	470.9
Gross carrying amount as at March 31, 2023	1.5
Gross carrying amount as at April 1, 2023	1.5
Additions	-
Transferred to Property, plant and equipment	-
Gross carrying amount as at March 31, 2024	1.5

B) Following is the ageing schedule for Capital work-in-progress

Particulars	March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.5	-	-	-	1.5
Projects temporarily suspended	-	-	-	-	-
Particulars	March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	1.5	-	-	1.5
Projects temporarily suspended	-	-	-	-	-

C) There are no projects whose completion is overdue or have exceeded their cost compared the original plan.



5 I) Other Intangible assets

A) Reconciliation of carrying amount

Particulars	Technical Know-how (Internally Generated)	Computer Software	Total
Gross carrying amount as at April 1, 2022	87.2	213.7	300.9
Additions	4.5	15.4	19.9
Disposals	-	53.8	53.8
Gross carrying amount as at March 31, 2023	91.7	175.3	267.0
Accumulated amortisation as at April 1, 2022	19.7	87.3	107.0
Amortisation for the year	29.1	33.0	62.1
Disposals	-	48.7	48.7
Accumulated amortisation as at March 31, 2023	48.8	71.6	120.4
Net carrying amount as at March 31, 2023	42.9	103.7	146.6

Particulars	Technical Know-how (Internally Generated)	Computer Software	Total
Gross carrying amount as at April 1, 2023	91.7	175.3	267.0
Additions	18.4	17.0	35.4
Disposals	-	23.3	23.3
Gross carrying amount as at March 31, 2024	110.1	169.0	279.1
Accumulated amortisation as at April 1, 2023	48.8	71.6	120.4
Amortisation for the year	30.6	35.4	66.0
Disposals	-	18.6	18.6
Accumulated amortisation as at March 31, 2024	79.4	88.4	167.8
Net carrying amount as at March 31, 2024	30.7	80.6	111.3

B) The Company has not revalued its intangible assets during the financial year ended March 31, 2024 and March 31, 2023.

II) Intangible assets under development

A) Reconciliation of carrying amount

Particulars	Technical Know-how (Internally Generated)
Gross carrying amount as at April 1, 2022	29.4
Additions	-
Other Adjustment*	(2.9)
Transferred to other intangible assets	(4.5)
Gross carrying amount as at March 31, 2023	22.0

*Includes asset written off / provided for during the year

Particulars	Technical Know-how (Internally Generated)
Gross carrying amount as at April 1, 2023	22.0
Additions	-
Transferred to other intangible assets	(18.4)
Gross carrying amount as at March 31, 2024	3.6

B) Following is the ageing schedule for Intangible assets under development

Particulars	March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	22.0	-	-	22.0
Projects temporarily suspended	-	-	-	-	-
	-	22.0	-	-	22.0

Particulars	March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	3.6	-	3.6
Projects temporarily suspended	-	-	-	-	-
	-	-	3.6	-	3.6

There are no projects whose completion is overdue or have exceeded their cost compared the original plan.



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(All amounts are in INR Lakhs, unless otherwise stated)

6 Right-of-use assets

A) Reconciliation of carrying amount

Particulars	Buildings
Gross carrying amount as at April 1, 2022	372.2
Additions	105.2
Deletions	-
Gross carrying amount as at March 31, 2023	477.4
Accumulated depreciation as at April 1, 2022	83.1
Depreciation for the year	65.3
Deletions	-
Accumulated depreciation as at March 31, 2023	148.4
Net carrying amount as at March 31, 2023	329.0

Particulars	Buildings
Gross carrying amount as at April 1, 2023	477.4
Additions	374.5
Deletions	-
Gross carrying amount as at March 31, 2024	851.9
Accumulated depreciation as at April 1, 2023	148.4
Depreciation for the year	121.8
Deletions	-
Accumulated depreciation as at March 31, 2024	270.2
Net carrying amount as at March 31, 2024	581.7

7 Other non-current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	87.3	54.1
Total	87.3	54.1



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8 Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liability relates to be following:		
- Accelerated depreciation for tax purposes	59.3	59.4
	59.3	59.4
Deferred tax assets relates to be following:		
- Expenditure allowed on actual payment	161.4	142.1
- Allowance for expected credit loss	68.9	76.3
- Other (includes inventory obsolescence and other provisions)	163.1	83.4
	393.4	301.8
Deferred tax assets (net)	334.1	242.4

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Deferred tax expense/(income)	Statement of profit and Loss	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax relates to the following:		
Accelerated depreciation for tax purpose	0.1	(23.3)
Other deductible temporary differences	79.7	5.4
Allowance for expected credit loss	(7.5)	(13.4)
Expenditure allowed on actual payment	19.3	52.1
Accumulated tax losses	-	-
Deferred tax expense/(income)	91.6	20.8

9 Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current tax assets (net)		
Income tax assets	685.1	283.5
Income tax liabilities	602.0	164.5
Non-current income tax assets (net)	83.1	119.0
(b) Current tax liabilities (net)		
Income tax assets	181.3	331.7
Income tax liabilities	198.1	371.8
Current income tax liabilities (net)	16.8	40.1

10 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances (unsecured, considered good)	10.2	50.6
	10.2	50.6

No advances are due from directors or other officers of the company, firms in which director is a partner or private companies in which director is a director or a member either severally or jointly with any other person except as disclosed in note 49.

11 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials (includes items lying with third party)	1,303.7	2,647.2
Work-in-progress (includes items lying with third party)	2,148.6	2,199.2
Finished goods (includes items lying with third party)	340.4	4.1
Stores and spares (includes items lying with third party)	75.1	126.6
	3,867.8	4,977.1

For details of inventory pledged as security refer note 18

The above amount is net of provision for slow-moving / non-moving inventory of INR. 232.4 lakhs (March 31, 2023 INR. 167.7 lakhs)



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(All amounts are in INR Lakhs, unless otherwise stated)

12 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered good	6,071.5	5,852.2
Credit impaired	212.9	143.8
	6,284.4	5,996.0
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	212.9	143.8
Considered good	60.6	159.5
	273.5	303.3
	6,010.9	5,692.7

No accounts receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days. For terms and conditions related to related party receivables, refer note 49.

For details of trade receivables pledged as security refer note 18

Following is the ageing schedule for Trade Receivables

As at March 31, 2024

Particulars	Outstanding for the following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - Considered good	1,701.6	2,802.9	811.5	527.8	160.9	66.7	6,071.5
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - Credit impaired	-	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - Credit impaired	-	-	-	26.5	49.7	136.7	212.9
	1,701.6	2,802.9	811.5	554.3	210.7	203.4	6,284.4

Note : Above figures do not include provision for expected credit loss amounting to INR 273.5 lakhs

As at March 31, 2023

Particulars	Outstanding for the following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - Considered good	3,911.1	1,343.8	330.1	162.8	44.2	60.2	5,852.2
Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed - Credit impaired	-	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - Credit impaired	-	-	-	0.0	35.0	108.8	143.8
	3,911.1	1,343.8	330.1	162.9	79.3	169.0	5,996.0

Note : Above figures do not include provision for expected credit loss amounting to INR 303.3 lakhs

13 A) Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Balances with banks		
In current accounts	-	-
(b) Cash on hand	0.5	0.5
	0.5	0.5

B) Bank balance other than above

Particulars	As at March 31, 2024	As at March 31, 2023
Margin money deposits	165.5	409.0
	165.5	409.0



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14 Other current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	18.1	18.4
MEIS scrips in hand	-	6.5
Stamp duty refund receivable	-	12.0
Gratuity receivable	15.7	15.6
Export benefits receivable	-	49.2
	33.8	101.7

15 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	625.9	686.2
Less: Allowance for doubtful advances	(285.7)	(90.1)
	340.2	596.1
Contract assets (refer note 44)	5,191.4	4,192.5
Balances with government authorities	318.0	669.5
Prepaid expenses	165.2	139.9
Others	6.0	50.4
	6,020.8	5,648.3

No advances are due from directors or other officers of the company, firms in which director is a partner or private companies in which director is a director or a member either severally or jointly with any other person except as disclosed in note 49.



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16 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised : 1,70,00,000 Equity Shares of INR 10 each	1,700.0	1,700.0
Issued, subscribed and fully paid up : 1,25,00,000 Equity Shares of INR 10/- each fully paid up as at March 31, 2024 (1,25,00,000 Equity Shares of INR 10/- each fully paid up as at March 31, 2023)	1,250.0	1,250.0

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :

Equity Shares	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
At the beginning of the year	1,25,00,000	1,250.0	1,25,00,000	1,250.0
Add: Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Outstanding at the end of the year	1,25,00,000	1,250.0	1,25,00,000	1,250.0

(b) Terms/ Rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share (Previous Year : INR 10 each). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended March 31, 2024, the Board of Directors have not recommended dividend to equity shareholders. (March 31, 2023 : Nil per share)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Sudarshan Chemical Industries Limited *	1,25,00,000	1,250.0	1,25,00,000	1,250.00
% Holding	100%	100%	100%	100%

* Includes 6 shares held by individuals on behalf of Sudarshan Chemical Industries Limited

(d) For a period of five years immediately preceding March 31, 2024 :

- aggregate number of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- aggregate number of shares bought back - Nil

(e) As per the records of the company including in required of shareholders/ member and other declarations received from shareholders regarding beneficial interest the above shareholding represents legal ownership of shares.

(f) The Company does not have any Promoters as defined in Companies Act, 2013 and hence disclosure of shareholding pattern for promoter is not applicable.



RIECO INDUSTRIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

17 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital redemption reserve	10.0	10.0
Retained earnings	1,661.7	1,201.2
General reserve	215.5	215.5
Equity contribution from holding company	89.3	89.3
	1,976.5	1,516.0

(a) Movement in other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital redemption reserve		
Balance as at the beginning of the year	10.0	10.0
Balance as at the end of the year	10.0	10.0
Retained earnings		
Balance as at the beginning of the year	1,201.2	385.3
Add: Profit for the year	459.9	836.1
Add: Other comprehensive income	0.6	(20.2)
Balance as at the end of the year	1,661.7	1,201.2
General reserve		
Balance as at the beginning of the year	215.5	215.5
Balance as at the end of the year	215.5	215.5
Equity contribution from holding company		
Balance as at the beginning of the year	89.3	89.3
Balance as at the end of the year	89.3	89.3

(b) Nature and purpose of each reserve within equity:**(i) Capital redemption reserve:**

This reserve has been created pursuant to buyback of equity share capital and as mandated by the Companies Act, 2013.

(ii) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(iii) General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(iv) Equity contribution from parent company

The fair value of bank guarantee provided by the holding company, Sudarshan Chemicals India Limited to enable Rieco Industries Limited, to avail bank finance at concessional rates has been classified as "Equity contribution from holding company" in accordance with Ind AS 109.



18 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
A) Non-current borrowings		
Secured		
From banks	-	-
Unsecured		
Term loans from banks		
Rupee loans (refer note (a) below)	-	199.1
Total non-current borrowings	-	199.1
B) Current borrowings		
Secured		
From banks		
Rupee loans (refer note (b) below)	1,610.7	1,463.6
Unsecured		
From banks		
Rupee loans (refer note (c) below)	2,672.0	1,159.1
Current maturities of non-current borrowings (refer note (a) below)	199.1	199.1
Total current borrowings	4,481.8	2,821.8

Note :-

- The term loan carries interest @ repo rate + 2.5% and is backed by corporate guarantee from Sudarshan Chemical Industries Limited.
- The working capital loans from various banks carry interest @ repo rate +2.5% and @ repo linked loan rate + 0.7%. The working capital loans are secured by hypothecation of inventory, receivables and moveable fixed assets and backed by corporate guarantee from Sudarshan Chemical Industries Limited.
- The working capital loans from various banks carry interest @ 9 to 10% per annum.
- The Company files monthly/ quarterly statement for receivables, payables and inventory with banks. Further, pursuant to subsequent adjustment if any post closures of yearly books and statutory audit, the Company files the revised return with the updated amounts at the year end.
- The charges or satisfaction on the assets of the Company are registered with Registrar of Companies within the the statutory period. The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- The Company has used the borrowings obtained from banks and financial institutions for the specific purpose for which they were taken during the year ended March 31, 2024 and March 31, 2023.
- The Company has not been declared a wilful defaulter by any bank, financial institution, government, or government authority.
- The company has been sanctioned a fund based limit of INR 3,000 lakhs and non-fund based limit of INR 9,000 lakhs in respect of working capital facilities by its bankers.

19 Provisions : non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for compensated absences (refer note 37)	133.9	119.1
Provision for gratuity (refer note 37)	55.6	123.7
	189.5	242.8



20 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Dues to micro and small enterprises (refer note 35)	3,167.4	2,890.6
Dues to other than micro and small enterprises	3,088.9	4,232.6
	6,256.3	7,123.2

Following is the ageing schedule for trade payables

As at March 31, 2024

Particulars	Outstanding for the following periods form due date of payment						Total
	Unbilled*	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	-	3,097.1	70.3	-	-	-	3,167.4
Total Outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	421.4	1,361.6	1,232.7	63.6	3.4	6.2	3,088.9
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	421.4	4,458.7	1,303.0	63.6	3.4	6.2	6,256.3

As at March 31, 2023

Particulars	Outstanding for the following periods form due date of payment						Total
	Unbilled*	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	-	2,090.0	800.0	0.6	-	-	2,890.6
Total Outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	418.6	1,325.8	2,428.2	40.8	15.5	3.8	4,232.6
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	418.6	3,415.8	3,228.2	41.4	15.5	3.8	7,123.2

*unbilled represents accrual for expenses

Trade payables are non-interest bearing and are generally settled on 60-90 day terms.

The above amount of trade payables is net of certain receivables against supply of goods. The company currently has a legally enforceable right to set off the receivables against the respective payables. The company intends to settle these amounts on net basis.

21 Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Employee dues	561.9	469.8
Payable for capital goods	14.5	67.9
Commission payable to directors	8.0	10.0
	584.4	547.7

22 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues #	98.6	80.2
Contract liabilities \$	3,591.4	5,213.6
	3,690.0	5,293.8

includes payables in respect to TDS, GST, PF, ESIC etc.

\$ The Contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Company's cash positions on specific projects.

23 Provisions : Current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits :		
Provision for compensated absences (refer note 37)	55.6	31.2
Other Provisions		
Provision for Warranties (refer note 38)	12.3	
	67.9	31.2



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(All amounts are in INR Lakhs, unless otherwise stated)

24 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from projects and products	31,344.9	22,051.9
Revenue from services	273.3	262.3
Total revenue from contracts with customers (refer note 44)	31,618.2	22,314.2
Other operating revenue		
Export incentives	-	44.1
	31,618.2	22,358.3

25 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- On income tax refund	14.4	4.9
- Bank deposits	14.7	45.3
- Other interest income	-	2.8
Commission income	-	31.9
Liabilities no longer required written back	-	3.5
Miscellaneous income	11.3	7.5
	40.4	95.9

26 Cost of material consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year (refer note 11)	2,647.2	825.4
Add: Purchases	16,684.6	15,608.1
	19,331.8	16,433.5
Less: Inventory at the end of the year (refer note 11)	1,303.7	2,647.2
	18,028.1	13,786.3

27 (Increase) in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year (refer note 11)		
Finished goods	4.1	335.3
Work-in-progress	2,199.2	770.1
Total (a)	2,203.3	1,105.4
Inventories at the end of the year (refer note 11)		
Finished goods	340.4	4.1
Work-in-progress	2,148.6	2,199.2
Total (b)	2,489.0	2,203.3
(Increase) in Inventories of finished goods and work-in-progress (a-b)	(285.7)	(1,097.9)



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28 Employee benefit expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus (including director's remuneration)	2,988.8	2,305.2
Contribution to provident and other funds	140.5	111.4
Gratuity expense	31.9	24.9
Staff welfare expenses	109.9	84.7
	3,271.1	2,526.2

29 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on bank facilities	250.2	245.6
Interest expenses on other borrowings	201.8	46.2
Interest expense on lease liabilities	66.2	43.3
Other borrowing costs*	55.8	44.3
	574.0	379.4

*includes charges for guarantees, loan processing charges etc.

30 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 3)	236.9	154.9
Amortisation on intangible assets (refer note 5)	66.0	62.1
Depreciation on right-of-use assets (refer note 6)	121.8	65.3
	424.7	282.3



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31 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	459.8	618.0
Power and fuel	265.9	81.5
Contract labour charges	2,045.7	1,562.4
Hire Charges	2,418.1	619.0
Rent (refer note 32)	73.7	26.6
Repairs and maintenance		
- Buildings	3.7	16.4
- Others	90.1	95.3
Insurance	90.3	79.6
Rates and taxes (excluding taxes on income)	156.0	43.0
Advertisement	51.7	43.6
Payment to auditors (refer note 36)	12.1	7.1
Bad debts written off	121.2	44.6
Other balances written off	85.6	0.0
Provision for bad and doubtful debts (including expected credit loss)	195.7	39.7
Allowance for/(reversal of) expected credit loss	(29.8)	(88.7)
Bank charges	69.4	97.2
Commission to selling agents	124.3	118.6
Freight and forwarding expenses	860.0	554.4
Director's sitting fees (refer note 47)	6.6	9.4
Foreign exchange (gain)/ loss (net)	28.1	19.7
Legal and professional expenses	584.0	301.3
Printing, stationery and communication expenses	30.7	32.2
Travelling and conveyance expenses	760.1	636.6
Expenditure towards Corporate Social Responsibility (refer note 45)	14.0	13.0
Director's commission (refer note 47)	8.0	10.0
Royalty	18.7	79.9
Loss on sale/ discard of assets	8.3	7.0
Safety Services	98.0	78.0
Subscription	140.3	101.8
Provision for warranties (refer note 38)	12.3	-
Miscellaneous expenses	210.3	197.6
	9,012.6	5,444.8

Miscellaneous expenses include office expenses, sales expenses and IT expenses etc.



RIECO INDUSTRIES LIMITED**CORPORATE IDENTIFICATION NUMBER - U24118MH1975PLC018631****NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

32 Leases

The effective interest rate for the lease liability is a weighted average incremental borrowing rate on the basis of existing borrowings was considered as incremental borrowing rate. The incremental borrowing rate used was within range of 10% - 11.30% depending on the amount involved and tenure of the lease agreement.

The company also has certain leases of various assets with lease term of 12 months or less, and with low value of lease rent. The company applies "short term lease" and "lease of low value assets" recognition exemption for these leases.

Particulars	Amount
Balance as at April 1, 2022	341.8
Add: Addition during the year	105.2
Add: Interest accrued on lease liability	43.3
Less: Cash outflows for leases	(85.3)
Balance as at March 31, 2023	405.0
Balance as at April 1, 2023	405.0
Add: Addition during the year	374.5
Add: Interest accrued on lease liability	66.2
Less: Cash outflows for leases	(156.2)
Balance as at March 31, 2024	689.5

Particulars	As at March 31, 2024	As at March 31, 2023
Current	126.9	56.7
Non Current	562.4	348.3
Total	689.3	405.0

Amounts recognized in profit and loss account -

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on lease liabilities	66.2	43.3
Expenses relating to short term lease	73.7	26.6
Depreciation on right-of-use assets	121.8	65.3

Amounts recognised in the statement of cash flow

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	156.2	85.3

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Less than 1 year	194.5	98.2
(b) 1 to 5 years	642.3	359.0
(c) More than 5 years	44.5	100.8



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33 Commitments and contingencies:

A) Capital commitment:

The estimated amount of contracts remaining to be executed on capital account, and not provided for is INR 30.72 lakhs as at March 31, 2024 (INR 210.9 lakhs, as at March 31, 2023).

B) Claims against the Company where the Company has preferred appeals

Particulars	As at March 31, 2024	As at March 31, 2023
Sales tax / Value added tax	5.5	28.4
Goods and services tax	79.3	77.7
Income tax	38.1	-
	122.9	106.1

(i) It is not practicable for the company to estimate the timing of cashflow, if any, in respect of the above, pending resolution of the respective proceeding as it is determinable only on receipt of Judgement/ decision pending with various form/ authorities. The company has accused that it is only possible, but not probable that outflow of economic resources will be required in this regard.

(ii) The company does not expect any reimbursement in respect of above contingent liability.

(iii) The company's pending litigations comprise of claims against the company pertaining to proceedings pending with IT, Sale/ VAT and GST authorities. The company has reviewed all its pending litigations and proceedings and has adequately provided for where provision are required and disclose as contingent liabilities where applicable. The company does not expect the outcome of these proceedings to have a materially adverse effect on financial statement.

C) Other litigations

There are several other cases which have been determined as remote or have been provided in the books by the Company and hence not been disclosed above.

D) Guarantee excluding financial guarantees:

The company has given guarantees to customers as performance bank guarantee amounting to INR 3,278.9 Lakhs. The management has considered the probability of outflow of the same as remote.

34 Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profits attributable to equity shareholders	459.9	836.1
Basic earnings per share		
Weighted average number of equity shares outstanding during the year	125.0	125.0
	3.7	6.7
Diluted earnings per share		
Weighted average number of equity shares outstanding for diluted earnings per share	125	125
	3.7	6.7

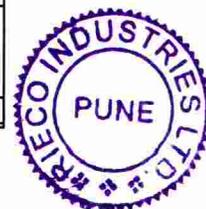
35 Details of dues to micro and small enterprise defined under Micro Small and Medium Enterprises Development Act,2006

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Principal amount due to suppliers under MSMED Act, 2006	3,167.4	2,890.6
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	42.9	18.9
Payment made to suppliers (other than interest) beyond the appointed day, during the year	1,172.3	4,909.9
Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	-	-
Interest paid to suppliers under MSMED Act, 2006 (section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act, 2006	111.8	53.8

The identification of suppliers under the "Micro Small and Medium Enterprises Development Act, 2006" was done on the basis on the information to the extent provided by the supplier to the Company

36 Payment to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor:		
- Audit fees	11.0	7.0
- Reimbursement of expenses	1.1	0.1
	12.1	7.1



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37 Post-employment benefit plans

A. Defined contribution plans

Contribution to Defined Contribution Plans, recognized as expense for the year is as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to provident funds and other funds	140.5	111.4

The Company's contribution paid/payable during the year to provident fund and labour welfare fund are recognized in the Statement of Profit and Loss.

B. Defined Benefit Plans

I. Gratuity

Funded Scheme:

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company in the form of a qualifying insurance policy.

Risk exposure and asset-liability matching:

Provision of a defined benefit scheme poses certain risks, as The Holding Company and its domestic subsidiary take on uncertain long term obligations to make future benefit payments.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, the funded status and amounts recognized in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognized in employee benefits expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	31.9	24.9
Net interest expense	7.8	6.4
Net benefit expense	39.7	31.3

Net interest expense / (income)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on defined benefit obligation	11.6	11.4
Interest (income) on plan assets	(3.8)	(5.0)
Total net interest cost	7.8	6.4

Changes in the present value of the defined benefit obligation are as follows :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation at the beginning of the year	175.5	144.4
Interest cost	11.6	11.4
Current service cost	31.9	24.9
Benefits paid from plan assets	(18.1)	(29.8)
Re-measurement (gain)/ loss in other comprehensive income		
Experience (gain)/ loss on plan liabilities	16.3	10.2
Demographic (gain)/ loss on plan liabilities	(10.4)	(0.0)
Financial (gain)/ loss on plan liabilities	(4.6)	14.4
Defined benefit obligation at the end of the year	202.2	175.5

Changes in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value of plan assets at the beginning of the year	51.8	74.4
Expected return on plan assets	3.8	5.0
Employer contributions	101.3	1.7
Benefit payments from plan assets	(12.3)	(26.9)
Re-measurement gain / (loss) in other comprehensive income		
Experience gain / (loss) on plan assets	2.1	(2.4)
Fair value of plan assets at the end of the year	146.7	51.8



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Amount recognized in the statement of other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Experience (gain) / loss on plan liabilities	16.3	10.2
Demographic (gain) / loss on plan liabilities	(10.4)	(0.0)
Financial (gain) / loss on plan liabilities	(4.6)	14.4
Experience (gain) / loss on plan assets	(2.1)	2.4
Total Actuarial (gain)/loss included in Other Comprehensive Income	(0.8)	27.0

Amount to be recognised in balance sheet

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined Benefit Obligation	202.2	175.5
Fair value of plan assets	146.7	51.8
Closing net defined benefit liability/(asset)	55.6	123.7

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	For the year ended March 31, 2024	For the year ended March 31, 2023
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Demographic Assumptions

Expected average future working life is considered as 4.25 years (6.32 years in 31 March, 2023).
Mortality: Mortality has been assumed to be Indian Assured Lives Mortality (2012-14) ultimate (IALM ult).
Disability: No explicit allowance has been made for disabilities.

Financial assumptions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	%	%
Discount rate	7.2%	7.4%
Employee turnover	23.0%	15.0%
Expected rate of increment in compensation levels	7.0%	8.0%

A quantitative sensitivity analysis for significant assumptions as at March 31, 2024 is as shown below:

Assumptions	Defined benefit obligation			
	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate	(195.5)	209.7	(167.1)	184.9
Expected rate of increment in compensation levels	208.3	(196.7)	183.4	(168.3)

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

The following is the maturity profile of defined benefit obligation (undiscounted):

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within the next 12 months (next annual reporting period)	47.3	35.3
Between 2 and 5 years	127.1	86.1
Beyond 5 years	64.9	73.0

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within the next 12 months (next annual reporting period)	47.3	35.3
Total expected payments	47.3	35.3



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II Leave Encashment / Compensated Absences / Sick Leave

The leave obligations cover the Company's liability for sick leave, privilege leave and casual leave.

The amount of the provision to be settled within next 12 months is presented as current, since the Company does not have an unconditional right to defer the settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following table shows bifurcation of current and non-current provision for leave encashment.

Particulars	Amount
Current leave obligations expected to be settled within the next 12 Months	55.6
Leave obligations expected to be settled beyond 12 months	133.9
	189.5

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of unutilised compensated absences and utilise it in the future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The measurement of such obligation is based on actuarial valuation as at the Balance Sheet date carried out by qualified actuary on projected accrued credit method carried out for assessing the liability as on the reporting date.

The principal assumptions used in determining Leave obligation for the Company are shown below:

Demographic Assumptions

Mortality: Mortality for all periods has been assumed to be as per Indian Assured Lives Mortality (2012-14).

Particulars	For the year ended March 31, 2023
Discount rate	7.2%
Expected rate of increment in compensation levels	7.0%
Employee turnover	23.00%
Leave availment	0.0%
Retirement age	58-80 years
(Wholetime Directors 80 years and others 58 years)	

38 DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISION AS REQUIRED BY THE INDIAN ACCOUNTING STANDARD ON PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (INDIAN ACCOUNTING STANDARDS -37)

Particulars	Warranty
Carrying amount at the beginning of the year	-
Additional provision made during the year	12.3
Amounts used/paid during the year	-
Unused amount reversed during the year	-
Carrying amounts at the end of the year	12.3

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :

The provision for warranty claims represents the present value of the management's best estimate of the future outflows of economic benefits that will be required under the company's obligations for warranties under local sale of goods legislation.



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39 Financial risk management

The Company's principal financial liabilities comprise of loans and borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

(a) Credit risk

Potential impact of risk	Management policy	Sensitivity to risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, i.e. trade receivables.	Customer credit risk is managed subject to the Company's policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by advances. An impairment analysis based on Expected Credit Loss (ECL) model is performed at each reporting date.	The Company considers the probability of default upon initial recognition and whether there have been significant increase in the credit risk on ongoing basis throughout each reporting period, to assess increase in the credit risk, the Company compares the rate of default on the date of reporting and initial recognition. Against these receivables, a provision for expected loss allowance is recognised.

The movement in the allowance for expected credit loss for trade receivables is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	303.3	355.8
Provision (reversed)/recognised for expected credit losses	(29.8)	(52.5)
Balance at the end of the year	273.5	303.3

In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, the allowance for doubtful trade receivables is considered adequate.

In addition, financial instruments that are subject to concentration of credit risk include cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

(b) Liquidity risk

Potential impact of risk	Management policy	Sensitivity to risk
Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price or there could be excessive concentrations of risks. The Company's finance department is responsible for liquidity, funding as well as settlement management. Excessive concentrations of risks arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.	The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.	The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be below. The Company assessed the concentration of risk and concluded it to be below. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Following table summarises the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments:

Particulars	As at March 31, 2024			
	Less than 1 year	1-5 years	> 5 years	Total
Borrowings - current	4,481.8	-	-	4,481.8
Borrowings - non-current	-	-	-	-
Lease liabilities	126.9	520.2	42.4	689.5
Trade payables	6,183.1	73.2	-	6,256.3
Other financial liabilities	584.4	-	-	584.4

Particulars	As at March 31, 2023			
	Less than 1 year	1-5 years	> 5 years	Total
Borrowings - current	2,821.8	-	-	2,821.8
Borrowings - non-current	-	199.1	-	199.1
Lease liabilities	56.1	258.1	90.8	405.0
Trade payables	7,062.6	60.8	-	7,123.4
Other liabilities	547.7	-	-	547.7



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(c) Market risk

Potential impact of risk	Management policy	Sensitivity to risk
i) Interest rate risk		
The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.	In order to manage its interest rate risk arising from variable interest rate borrowings, the Company borrows from various banks in accordance with the framework set by the Finance department.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 25 bps change in interest rates. A 25 bps reduction in interest rates would have led to approximately an additional INR 11.2 lakhs and (2022-23: INR 7.6 lakhs) gain in Statement of Profit and Loss. A 25 bps increase in interest rates would have led to an equal but opposite effect.
ii) Foreign exchange risk		
The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk also includes highly probable foreign currency cash flows. The Company has exposure arising out of export, import, and other transactions.	The Company has exposure arising out of export, import, and other transactions.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to financial statements, the Company has calculated the impact on the Statement of Profit and Loss. The following tables demonstrate the sensitivity to a possible change in EUR and USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency exposure and sensitivity	As at March 31, 2024		As at March 31, 2023	
	USD	EURO	USD	EURO
	Amount given below are in Rs Lakhs		Amount given below are in Rs Lakhs	
Trade Receivables	76.9	-	297.5	-
Trade Payables	(1.4)	(2.0)	-	-
Total	75.5	(2.0)	297.5	-

Considering the quantum of foreign currency receivables and payables as compared to total receivables and payables, the company has not opted for hedging against currency fluctuations.

40 Capital management

The Company's capital comprises equity share capital and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using net debt-equity ratio, which is net debt (i.e.Total Debt - Cash and Cash equivalents) divided by total equity. These ratios are illustrated below:

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt	4,481.8	3,021.0
Less: cash and cash equivalents	0.5	0.5
Net debt	4,481.3	3,020.5
Total equity	3,226.5	2,766.0
Debt-equity ratio	1.4	1.1

41 Financial Instruments : Fair Values

(a) Categories of financial instruments -

Below is a comparison, by close, of the carrying amount of the company's financial instruments

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Financial assets						
Trade receivables	-	-	6,010.9	-	-	5,692.7
Cash and cash equivalents	-	-	0.5	-	-	0.5
Other financial assets	-	-	121.1	-	-	155.9
Other bank balance	-	-	165.5	-	-	409.0
Total financial assets	-	-	6,298.0	-	-	6,258.1
Financial liabilities						
Borrowings - current	-	-	4,481.8	-	-	2,821.8
Borrowings - non-current	-	-	-	-	-	199.1
Lease liabilities	-	-	689.5	-	-	405.0
Trade payables	-	-	6,256.3	-	-	7,123.4
Other liabilities	-	-	584.4	-	-	547.7
Total financial liabilities	-	-	12,012.0	-	-	11,097.0

The management assured that the fair value of cash and cash equivalent, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company are valued at amortized cost which approximates the fair value.



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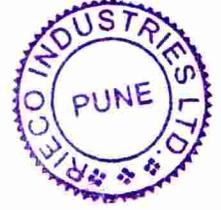
42 Income tax expense

This note provides an analysis of Company's income tax expense, shows amounts that are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions.

(a) Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expense		
Current Tax		
Current tax on profits for the year	265.8	311.1
Deferred tax		
Relating to origination and reversal of temporary differences	(91.9)	(14.0)
Income tax expense reported in the statement of profit and loss	173.9	297.1

(b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate:

Particulars	For the year ended March 31, 2024	For the year ended Mar 31, 2023
Profit before taxes	633.8	1,133.2
Applicable income tax rate of 25.168% (March 31, 2023: 25.168%)	159.5	285.2
Others disallowances	14.4	11.9
Income tax expense reported in the statement of profit and loss	173.9	297.1



43 Operating Segments :

A. Basis for segmentation

An operating segment is a segment of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other segments and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments as described below, which are the Company's strategic business clusters:

- (i) Cluster 1 comprising largely Grinding Solutions
- (ii) Cluster 2 comprising largely Conveying Solutions and Clean Air Solutions

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business cluster that offers different products and serves specific industries. Each business cluster is managed by a Cluster Head who is responsible for the entire sales, services and operations of the cluster. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate. For each of the business clusters, the Company's Chief Operating Decision Maker reviews internal management reports on a monthly basis.

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Chief Operating Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Cluster - 1	Cluster - 2	Total (1 + 2)	Cluster - 1	Cluster - 2	Total (1 + 2)
Segment Revenue						
(a) Revenues domestic	6,146.3	24,900.1	31,046.4	7,728.6	12,852.6	20,581.1
(b) Revenues export	145.1	426.7	571.8	649.2	1,127.9	1,777.2
Total segment revenue - external	6,291.5	25,326.8	31,618.2	8,377.8	13,980.5	22,358.3
Segment Results						
Profit before tax and finance cost from segment	(629.2)	1,837.0	1,207.8	707.9	802.8	1,510.7
Less: Finance costs (net)	257.4	316.6	574.0	298.5	79.2	377.7
Profit from ordinary activities after finance cost but before tax	(886.6)	1,520.4	633.8	(298.5)	(79.2)	1,133.0
Tax expense			173.9			297.1
Profit from continuing operations after tax			459.9			835.9
Segment Assets						
Segment Liabilities	5,399.7	13,468.7	18,868.4	7,478.2	11,750.2	19,228.5
Net Assets	2,487.8	9,006.4	11,494.2	4,508.3	9,175.5	13,684.0
Net Assets	2,911.9	4,462.4	7,374.2	2,969.9	2,574.7	5,544.5
Capital Expenditure during the year	319.0	202.1	521.1	454.3	681.5	1,135.8
Non Cash expenditure related to the segment	260.0	164.7	424.7	112.9	169.4	282.3

C. Reconciliation of information on reportable segments to Ind AS measures

Particulars	As at March 31, 2024	As at March 31, 2023
i. Assets		
Total assets for reportable segments	18,868.4	19,228.5
Deferred Tax Asset	334.1	242.4
Total Assets	19,202.5	19,470.9
ii. Liabilities		
Total liabilities for reportable segments	11,494.2	13,684.0
Equity	3,226.5	2,766.0
General Borrowings	4,481.7	3,020.9
Total Equity and Liabilities	19,202.4	19,470.7

D. Geographical information

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i. Segment Revenue by location of customers		
In India	31,046.4	20,581.1
Outside India	571.8	1,777.2
	31,618.2	22,358.3
ii. Non-current operating assets by location of assets		
There no non-current assets located outside India.	-	-

E. During the year, two customers contributed to 29.8% of the revenue for the year. This was spread across multiple high value sales orders received from these customers. There was no single customer contributing to more than 10% of revenue in the previous year ended 31st March 23.



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44 Disclosure pursuant to Ind AS 115**(a) Revenue streams**

The Company earns revenue in two business segments (Cluster 1 and Cluster 2). The revenue is earned from the manufacture and sale of equipment for grinding solutions, conveying solutions and clean air solutions. The equipment are customized based on specific customer requirements. (Refer note 43)

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Major product lines		
Cluster1 (Grinding Solutions)	6,291.5	8,377.8
Cluster2 (Conveying Solutions and Clean Air Solutions)	25,326.7	13,980.5
	31,618.2	22,358.3

Primary geographical market

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	31,046.4	20,581.1
Outside India	571.8	1,777.2
	31,618.2	22,358.3

Timing of revenue recognition

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Products transferred at point in time	4,842.1	1,271.0
Products transferred over a period of time	26,776.1	21,087.3
	31,618.2	22,358.3

(c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	31,618.2	22,358.3
Less: Adjustments - Export incentives	-	(44.1)
Revenue from contracts with customers	31,618.2	22,314.3
Add : Adjustments (sales returns, discounts, etc.)	-	-
Revenue as per contracted price	31,618.2	22,314.3



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(d) Contract Balances

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date from projects and customised contracts. Contract assets are transferred to Trade receivables on completion of milestones and related invoicing.

The Contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Company's cash positions on specific projects.

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivable (refer note 12)*	6,010.9	5,692.7
Contract asset (refer note 15)	5,191.4	4,192.5
Contract liabilities (refer note 22)	3,591.4	5,213.6

*Net of provision for expected credit losses as recognised in accordance with the provisions of Ind AS 109 amounting to INR 273.5 lakhs (March 31, 2023: INR 303.3 lakhs)

Revenue recognised from amount included in contract liabilities at the beginning of the year

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue recognised from amount included in contract liabilities at the beginning of the year	5,213.6	2,405.0
	5,213.6	2,405.0

- (e) The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations as on March 31, 2024 is Rs. 9,041.2 lakhs (March 31, 2023 is Rs. 11,098.1 lakhs) and is expected to be recognized as revenue in the next year.

45 Amount spent towards Corporate Social Responsibility

The Company is covered under Section 135 of the Companies Act 2013, and is required to contribute towards activities eligible under Section 135 of the Companies Act, 2013 read with Schedule VII thereto. Company's CSR activities for ongoing projects are (a) promotion of education and enhancing vocational skills, (b) eradication of hunger and promoting hygiene, (c) promotion of sports, (d) protection of national heritage and promotion and development of traditional arts, (e) promotion of gender equality, and (f) other infrastructure that would help meet the objectives of environmental sustainability such as waste management, vermi-culture, organic farming, etc.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	13.5	12.9

- b) An amount of INR 14.0 lakhs was approved by the board towards CSR activities for the year ended March 31, 2024.

Amount spent during the year ended on	For the year ended March 31, 2024	For the year ended March 31, 2023
- Construction/ acquisition of any asset	-	-
- On purposes other than (i) above (in cash)	-	-

- d) The Company has spent INR 14.0 lakhs as CSR expenses which is donated to Pravara Rural Education Society (INR 7.0 Lakhs), Sevavardhini (INR 3.5 Lakhs) and Sudarshan CSR foundation (INR 3.5 Lakhs)



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e) **Details of ongoing projects and other than ongoing projects**

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance (balance of excess amount spent from previous years)			
- with Company	(a)	0.1	-
- in separate unspent CSR account		-	-
Amount required to be spent during the year (Net of previous year (short)/Excess)	(b)	13.5	12.9
Amount spent during the year:			
On ongoing projects			
- From Company's bank account	(c)	14.0	13.0
- From separate unspent CSR account		-	-
Other than ongoing projects			
- From Company's bank account		-	-
- From separate unspent CSR account		-	-
(Short)/Excess CSR spend for the year	(d)	0.5	0.1
Closing balance			
- with Company	(a+d)	0.6	0.1
- in separate unspent CSR account		-	-



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46 Other statutory information as required by notification issued by Ministry of Corporate affairs dated 24th March 2021 on amendments on Schedule III

a) Relationship with companies struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956:

Closing balances and nature of transactions

Name of struck off company	Nature of transactions with struck-off company	Balance Outstanding		Transactions during the year		Relationship with the struck off company
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
Kohli Engineering & Power Management Private Limited	Trade payables	-	-	557.9	-	None
Extreme Automation Pvt Ltd	Trade payables	3.9	-	-	-	None

Disclosure of Transactions with Supplier Entity Struck-Off by MCA -

During the financial year ended March 31, 2024, the Company had transactions with Kohli Engineering & Power Management Private Limited, a supplier company which has been struck off by the Ministry of Corporate Affairs (MCA) under Section 248 of the Companies Act, 2013.

The transactions with Kohli Engineering & Power Management Private Limited were primarily for providing services towards erection of Silos and supply of manpower. The supplier entity has completed the agreed-upon work, and there are no outstanding payables to the entity as at the balance sheet date.

It is pertinent to note that the Company has availed input credit for the invoices from the supplier entity, and there have been no non-compliances impacting the input credit availment.

The Company has duly considered the implications of the supplier entity being struck off by the MCA and has assessed any associated risks. Management believes that the completion of work and absence of outstanding payables mitigate any immediate financial impact on the Company.

47 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes, if any made using certain administrative access rights to the SAP HANA software. These administrative rights were restricted to limited users. Further, these administrative access rights at the application have been revoked and audit trail feature at database is enabled subsequent to the year end. Further no instance of audit trail feature being tampered with was noted in respect of such accounting software where the audit trail has been enabled.

48 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



49 Related Party Transactions (as per Ind AS 24 on related party transaction specified under section 133 of the Companies Act, 2013)

(a) List of Related Parties and description of relationship:

Holding Company:
 Sudarshan Chemicals Industries Limited

Fellow subsidiary:
 Sudarshan CSR Foundation
 (Sudarshan CSR Foundation (CSR Foundation); a wholly owned subsidiary of Sudarshan Chemical Industries Limited, is a "not for profit Company" under Section 8 of the Companies Act, 2013. The main objective of CSR foundation is to carry out CSR activities as per the CSR policies.)

Key Management Personnel :
 Mr. Dara Damania (Chairman - Independent Director)
 Mr. P R Rathi (Non-Executive Director)
 Mr. N J Rathi (Non-Executive Director)
 Mr. R B Rathi (Non-Executive Director)
 Mr. S Padmanabhan (Independent Director)

Mr. Vikas R. Bhatia (Managing Director)
 Mr. Mandar M. Velankar (Company Secretary)
 Ms. Medha Gokhale (CFO)
 Mr. Mahesh Patil (Whole-time Director w.e.f July 30, 2021)

(b) Related party transactions:

Sr. no	Nature of Transaction	For the year ended March 31, 2024			For the year ended March 31, 2023		
		Key Management Personnel	Holding Company	Fellow subsidiary	Key Management Personnel	Holding Company	Fellow subsidiary
1	Remuneration to Managing Director (a) Mr. Vikas R. Bhatia	160.6	-	-	151.2	-	-
2	Remuneration to Whole-time Director (a) Mr. Mahesh Patil	62.3	-	-	56.6	-	-
2	Remuneration to other KMP (a) Ms. Medha Gokhale	26.9	-	-	24.9	-	-
3	Sitting Fees (a) Mr. P R Rathi (b) Mr. R B Rathi (c) Mr. N J Rathi (d) Mr. Dara Damania (e) Mr. S Padmanabhan	0.8 0.4 1.4 2.0 2.0	- - - - -	- - - - -	1.2 0.2 2.4 2.8 2.8	- - - - -	- - - - -
4	Commission (a) Mr. P R Rathi (b) Mr. N J Rathi (c) Mr. Dara Damania (d) Mr. S Padmanabhan	2.0 2.0 2.0 2.0	- - - -	- - - -	2.50 2.50 2.50 2.50	- - - -	- - - -
5	Sale of Goods	-	67.7	-	-	66.7	-
6	Sale of Asset	-	12.6	-	-	-	-
7	Corporate Guarantee Charges	-	28.2	-	-	16.7	-
8	Interest on loan	-	13.3	-	-	-	-
9	Reimbursement of expenses	-	72.8	-	-	50.6	-
10	CSR donation	3.5	-	5.0	-	-	5.00

(c) Balance outstanding at year end :

Sr. no	Particulars	As at	As at
		March 31, 2024	March 31, 2023
1	Key Managerial Personnel		
	- Remuneration payable		
	(a) Mr. Vikas R. Bhatia	14.1	9.5
	(b) Mr. Mahesh Patil	4.7	2.4
	(c) Ms. Medha Gokhale	2.1	1.1
	- Commission payable to directors		
	(a) Mr. P R Rathi	2.0	2.5
	(b) Mr. N J Rathi	2.0	2.5
	(c) Mr. Dara Damania	2.0	2.5
	(d) Mr. S Padmanabhan	2.0	2.5
2	Holding Company		
	- Receivable for sale of goods	12.6	-
	- Rent Income receivable	-	-
	- Financial guarantee charges payable	14.6	-
	- Payable for insurance	45.5	3.5



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50 Ratio analysis and its elements

Particulars	As at March 31, 2024	As at March 31, 2023	Change in %	Comments
a) Current Ratio (Current assets/ Current liabilities)	1.06	1.06	0%	
b) Debt-Equity Ratio (Total debt / shareholder's equity)	1.39	1.09	27%	The total borrowings have increased in the current year due to increased working capital requirement to sustain higher business volumes.
c) Debt Service Coverage Ratio (Net operating income/ Current debt obligations) (Net operating income is Profit before tax + Interest + Depreciation - Other Income) (Current debt obligations is current maturity of long term debts and interest payment)	7.99	8.53	-6%	
d) Return on Equity Ratio (Profit after tax/ shareholder equity)	0.14	0.29	-52%	The return on equity has reduced due to lower profitability on account on margin erosion and higher provisions.
e) Inventory turnover ratio (Cost of good sold/ Inventory)	4.59	2.55	80%	Higher inventory turnover ratio reflects efficient management of inventory, streamlined operations and enhanced demand forecasting.
f) Trade Receivables turnover ratio (Sale of goods/ Trade receivables)	5.26	3.92	34%	This increase is on account of more effective management of credit and collections, tightened credit policies, and improved debtor monitoring.
g) Trade payables turnover ratio (Purchase of goods/ Trade payable)	2.67	2.19	22%	
h) Net capital turnover ratio (Sale of goods/ Working capital) (working capital = current assets - current liabilities)	36.17	24.55	47%	This improvement reflects our enhanced efficiency in utilizing working capital to support revenue generation, attributed to better inventory management, optimized receivables and payables cycles.
i) Net profit ratio (Net profit/ Revenue)	1%	4%	-61%	The net profit ratio has dipped on account of a drop in contribution margins from projects, as well as provisions made against aged assets.
j) Return on Capital employed (Earning before interest and taxes "EBIT"/ Capital Employed) (Capital Employed is Equity + Total Debts) tangible net worth	16%	26%	-40%	The EBIT for the year has been achieved with higher revenues, despite a drop in margins and provisions taken. The equity and debt levels have risen in line with the business levels.



51 Additional regulatory information

- (a) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.
- (b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami transaction (Prohibition) Act, 1988 and rules made there under
- (c) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (d) There are no such transactions which are not recorded in the books of accounts and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (e) The Company has not traded or invested in crypto currency or virtual currency during the financial year. The company does not have balance of crypto currency or virtual currency at the end of the financial year.
- (f) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (g) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 52 The remuneration paid / payable to directors for the financial year ended March 31, 2024, is in excess of the limit prescribed under the Companies Act, 2013 and is approved by the shareholder through a special resolution in Extra-ordinary General Meeting held on May 16, 2024.
- 53 MCA has amended Rule 3 of the Companies (Accounts) Rules, 2014 (the "Accounts Rules") relating to the mode of keeping books of account and other books and papers in electronic mode through an amendment on August 5, 2022. In compliance with the requirements of the amendment, the books of accounts and other relevant books and records are accessible in India at all times. Further, backup of books of account maintained in electronic form is kept in servers physically located in India on a daily basis.
- 54 Additional regulatory information/disclosures as required by General Instructions to Division II of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.
- 55 Previous year figures have been regrouped/reclassified as considered necessary to confirm with current period presentation wherever applicable.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

HSGinwala
per **Huzefa Ginwala**
Partner
Membership No.: 111757



Place: Pune
Date: May 16, 2024

For and on behalf of the Board of Directors of Rieco Industries Limited

Vikas R. Bhatia
VIKAS R. BHATTIA
Managing Director
DIN :01056616

S. Padmanabhan
S. PADMANABHAN
Independent Director
DIN :00001207



Medha Gokhale
MEDHA GOKHALE
Chief Financial Officer
ICAI Membership No.: 133965

Mandar M. Velankar
MANDAR M. VELANKAR
Company Secretary
ICSI Membership No.: 14469

Place: Pune
Date: May 16, 2024