

RACE

RACE ECO CHAIN LTD

RESTORE

Give Earth a Chance

25th June, 2021

TO,
The Manager (Department of Corporate Services),
Bombay Stock Exchange Limited-SME Platform,
Phiroze Jeejee Bhoy Towers,
Dalal Street, Mumbai-400001

Ref: Company Code 537785(BSE)

Sub: Submission of Audited Standalone Financial Results for the Quarter and Year ended 31st March, 2021.

Respected Sir/Madam

In reference to captioned subject and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting the following:

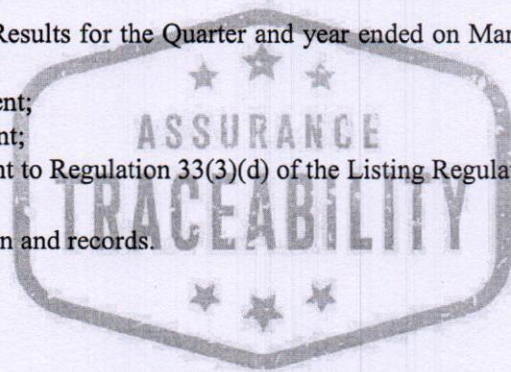
- 1) Audited Financial Results for the Quarter and year ended on March 31, 2021; along with the Auditors Report
- 2) Reporting of Segment;
- 3) Cash Flow Statement;
- 4) Declaration Pursuant to Regulation 33(3)(d) of the Listing Regulations.

This is for your information and records.

Thanking You,

Yours Faithfully For Race Eco Chain Limited
For Race Eco Chain Limited



Shiwati
Company Secretary & Compliance Officer



| Notes:- | | | | | |
|--|--|----------------------------|-----|------------|------------|
| 1 | The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 25th June, 2021 | | | | |
| 2 | The figures of the six months period ended March 31,2021 are the balancing figures between the audited figures in respect of full financial year and the published year to date figure upto six months period ended 30th September 2020 of the current financial year. The previous financial year /period figures have been regrouped /reclassified wherever necessary to confirm to current financial year and twelve months ended presentation. | | | | |
| 3 | The company is mainly engaged in the business of collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste. | | | | |
| 4 | There were no investor complaints receive or pending as on 31-03-2021 | | | | |
| | Particulars | Year ended 31-03-2021 | | | |
| | Pending at the beginning of the Year | Nil | Nil | Nil | Nil |
| | Received during the year | Nil | Nil | Nil | Nil |
| | Disposed of During the Year | Nil | Nil | Nil | Nil |
| | Remaining unresolved at the end of Year | Nil | Nil | Nil | Nil |
| | | Nil | Nil | Nil | Nil |
| PART II: Selected Information for the year ended 31st March,2021 | | | | | |
| S.No | Particulars | Figures for the year ended | | | |
| | | | | 31.03.2021 | 31.03.2020 |
| A | Particulars of Shareholding | | | | |
| 1 | Public Shareholding | | | | |
| | A. Number of Shares | | | 9072100 | 9062100 |
| | B. % of Shareholding | | | 55.21 | 55.15 |
| 2 | Promoter and Promoter Group Sharholding | | | | |
| | A. Pledged/Encumbered | | | 0 | 0 |
| | a. Number of Shares | | | 0 | 0 |
| | b. Percentage of shares (as a % of the total shareholding of promoter and promoter group) | | | 0 | 0 |
| | c. Percentage of shares (as a % of the total share capital of the issuer) | | | 0 | 0 |
| | B. Non-Encumbered | | | | |
| | a. Number of Shares | | | 7360100 | 7370100 |
| | b. Percentage of shares (as a % of the total shareholding of promoter and promoter group) | | | 44.79 | 44.85 |
| | c. Percentage of shares (as a % of the total share capital of the issuer) | | | | |

For RACE ECO CHAIN LIMITED

[Signature]
Director

| Race Eco Chain Limited | | |
|--|---|-------------------------|
| CIN: L37100DL1999PLC102506 | | |
| Unit No.203, Plaza- P3 Central Square, Bara Hindu Rao, Delhi-110006. | | |
| ANNEXURE IV | | |
| (Reporting of Segment wise Revenue, Results and Capital Employed along with the half yearly results (01.10.2020-31.03.2021)) | | |
| Particulars | Amount (Rs. In Lakhs) | |
| | Six Months Ended(01.10.2020 - 31.03.2021) | Year Ended (31.03.2021) |
| | Unaudited | Audited |
| 1-Segment Revenue (net sale/income from each segment should be disclosed under this head). | | |
| (a) Segment-A(Miscellaneous Old Economy Products) | 1,328.08 | 1,991.41 |
| (b) Segment-B (Recycle Division) | 2,334.43 | 2,334.43 |
| (c) Segment-C (Restore Division) | 1,545.78 | 1,545.78 |
| (e) Unallocated | 212.80 | 250.13 |
| Total | 5,421.10 | 6,121.76 |
| Less: Inter Segment Revenue | - | - |
| Net Sales/Income From Operations | 5,421.10 | 6,121.76 |
| 2-Segment Results(profit)(+)/Loss(-) Before tax and interest from each segments)# | | |
| (a) Segment-A(Miscellaneous Old Economy Products) | 20.35 | -36.45 |
| (b) Segment-B (Recycle Division) | 335.25 | 335.25 |
| (c) Segment-C (Restore Division) | 17.78 | 17.78 |
| (e) Unallocated | -143.13 | -105.80 |
| Total | 230.25 | 210.78 |
| Less: i) Interest** | -27.29 | -63.44 |
| ii) Other Un-allocable Expenditure net off | - | - |
| ii) Un-allocable income | - | - |
| Total Profit Before Tax | 202.96 | 147.34 |
| 3- Capital Employed(Segment assets - Segments Liabilities) | | |
| (a) Segment-A(Miscellaneous Old Economy Products) | 738.81 | 8.61 |
| (b) Segment-B (Recycle Division) | 276.75 | 276.75 |
| (c) Segment-C (Restore Division) | 462.41 | 462.41 |
| (e) Unallocated | 154.91 | 1,063.72 |
| Total | 155.26 | 1,811.49 |
| Date: 25.06.2021 Place: Delhi | For Race Eco Chain Limited For RACE ECO CHAIN LIMITED  Director (Director) | |
| *Strike off whichever is not applicable # Profit/loss before tax and interest in case of segments having operation which are primarily of financial nature. * Other than the interest pertaining to the segments having operation which are primarily of financial nature. | | |

CASH FLOW STATEMENT AS ON 31/03/2021

(Amount in Rs.)

| Particulars | Figures as at end of the current reporting period 2021 | | Figures as at end of the current reporting period 2020 | |
|---|--|---------------|--|--------------|
| | | | | |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax | | 1,47,33,633 | | 3,67,947 |
| Adjustments for: | | -36,77,042 | | -3,74,05,328 |
| Depreciation and amortisation | 23,31,502 | | 29,95,831 | |
| Deferred Tax | | | -5,04,173 | |
| (Profit) / loss on sale / write off of assets | 26,14,967 | | -4,44,27,186 | |
| Finance costs | 63,43,983 | | 72,57,524 | |
| Interest income | -67,28,806 | | - | |
| Dividend income | -2,36,732 | | -1,74,745 | |
| Net (gain) / loss on sale of investments | -73,71,280 | | -25,52,579 | |
| Rental Income | -7,80,000 | | - | |
| Provision for Gratuity | 2,48,363 | | - | |
| Operating profit / (loss) before working capital changes | | 1,10,56,591 | | -3,70,37,381 |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Trade receivables | -8,26,73,463 | -10,06,13,976 | 3,58,96,939 | 7,96,03,090 |
| Short-term loans and advances | -1,15,58,871 | | 1,41,36,292 | |
| Other current assets | - | | - | |
| Inventories | -64,81,662 | | 2,95,69,859 | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 4,21,41,198 | 3,85,71,142 | -8,37,05,100 | -8,24,90,844 |
| Other current liabilities | -35,70,056 | | -2,40,053 | |
| Other long-term liabilities | | | - | |
| Short-term provisions | | | 3,13,959 | |
| Long-term provisions | | | 11,40,351 | |
| Cash flow from extraordinary items | | -5,09,86,243 | | -3,99,25,134 |
| Cash generated from operations | | -5,09,86,243 | | -3,99,25,134 |
| Net income tax (paid) / refunds | | -5,09,86,243 | | -3,99,25,134 |
| Net cash flow from / (used in) operating activities (A) | | | | |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on property, plant & equipments, including capital advances | - | 9,75,79,824 | -10,07,681 | 4,73,10,678 |
| Proceeds from sale of property, plant & equipments | 19,25,000 | | 4,44,27,186 | |
| Purchase of Property, Plant & Equipment | -23,09,381 | | -1,32,25,193 | |
| Purchase of long-term investments | - | | 11,30,958 | |
| Sales (Purchase) of other investments | 6,29,56,214 | | 1,32,58,084 | |
| Long-term loans and advances | 2,72,63,454 | | - | |
| Rental Income | 7,80,000 | | - | |
| Interest received | 67,28,805 | | 25,52,579 | |
| Net gain / (loss) on sale of investments | - | | 1,74,745 | |
| Dividend received | 2,35,732 | | - | |
| Cash flow from extraordinary items | | | | |
| Net cash flow from / (used in) investing activities (B) | | 9,75,79,824 | | 4,73,10,678 |

For RACE ECO CHAIN LIMITED

[Signature]
Director

For RACE ECO CHAIN LIMITED

[Signature]
Director

For Race Eco Chain Limited

[Signature]
Company Secretary

[Signature]



| Particulars | Figures as at end of the current reporting period 2021 | | Figures as at end of the current reporting period 2020 | |
|---|--|--------------------|--|-------------------|
| | | | | |
| C. Cash flow from financing activities | | | | |
| Proceeds from issue of equity shares | - | -70,85,780 | - | -87,43,529 |
| Security Premium from issue of equity shares | - | - | - | - |
| Proceeds from issue of preference shares | - | - | - | - |
| Proceeds from long-term borrowings | 884 | - | - | - |
| Repayment of long-term borrowings | - | - | -4,34,950 | - |
| Net increase / (decrease) in working capital borrowings | - | - | - | - |
| Proceeds from other short-term borrowings | - | - | - | - |
| Repayment of other short-term borrowings | - | - | - | - |
| Share issue expenses | -7,22,680 | - | -10,51,054 | - |
| Finance cost | - | - | - | - |
| Finance cost | -63,43,953 | - | -72,57,524 | - |
| Cash flow from extraordinary items | | | | |
| Net cash flow from / (used in) financing activities (C) | | -70,85,780 | | -87,43,529 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 3,95,27,801 | | -13,57,984 |
| Cash and cash equivalents at the beginning of the year | | 18,24,409 | | 31,82,394 |
| Effect of exchange differences on restatement of foreign currency Cash and cash | | - | | - |
| Cash and cash equivalents at the end of the year | | 4,13,62,209 | | 18,24,409 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | | |
| Opening Cash and cash equivalents as per Balance Sheet | | | | |
| (a) Cash on hand | | 38,05,355 | | 8,28,837 |
| (b) Balances with banks | | | | |
| (i) In current accounts | | 3,74,93,909 | | 9,42,626 |
| (ii) In EEFC accounts | | - | | - |
| (iii) In Fixed deposit accounts | | - | | - |
| (c) Interest accrued on deposits | | 52,946 | | 52,946 |
| (d) Current investments considered as part of cash & cash equivalents | | - | | - |
| | | 4,13,52,210 | | 18,24,409 |

See accompanying notes forming part of the financial statements

For Race Eco Chain Limited

For RACE ECO CHAIN LIMITED

For RACE ECO CHAIN LIMITED

Slicwati
Slicwati
Company Secretary
COMPANY SECRETARY

Anshu
ANSHU AGARWAL
CFO

Pranav
PRANAV VASAN
NON EXECUTIVE DIRECTOR
DIN:- 07631095

Sunil
SUNIL KUMAR MALIK
MANAGING DIRECTOR
DIN:- 00143453

Director

AUDITOR'S REPORT
AS PER OUR REPORT OF EVEN DATE ANNEXED
FOR GARG ARUN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 08180N

R. Man
CA. RIMAN KUMAR GARG (PARTNER)
M.NO. 099564



PLACE : NEW DELHI
DATED : 25.06.2021

Scrip code: 537785
Date: 25th June, 2021

To,

BSE Limited
P.J. Towers
Dalal Street, Mumbai-400001

Subject: Declaration pursuant to regulation 33 (3) (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

I, **Sunil Kumar Malik**, Managing Director of the Company hereby declare that, the Statutory Auditors of the Company M/s Garg Arun & Associates, Chartered Accountants (FRN NO: - 8180N) have issued an audit report with unmodified opinion on standalone annual audited financial results for the year ended 31st March, 2021

The declaration is issued in compliance with regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended by the **Circular Number CIR/CFD/CMD/56/2016** dated May 27th, 2016

Thanking You

For and Behalf of the Board of
Race Eco Chain Limited

For RACE ECO CHAIN LIMITED

Director

Sunil Kumar Malik
Managing Director
DIN: 00143453
159, Gagan Vihar, New Delhi-110051

GARG ARUN & ASSOCIATES

CHARTERED ACCOUNTANTS

Flat No.106, 4832/24, Ansari Road,
Daryaganj, New Delhi-110002
Phone: 011-23283955



INDEPENDENT AUDITOR'S REPORT

To the members of RACE ECO CHAIN LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **RACE ECO CHAIN LIMITED**, which comprise the balance sheet as at **31st March 2021**, and the statement of Profit & Loss, and statement of cash flows for the year ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial Statements give the information required by the Act in the manner of so required and give a true and fair view in conformity with the accounting principles accepted in India, of the state of affairs of the company as at March 31st, 2020, and its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code Of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



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| Key Audit Matters | How the matter was addressed in our audit |
|--|---|
| Revenue Recognition 1. Company has multiple income generating operation and has changed their activities as compared to last year. | 1. Major revenue generating activities were trading in waste material recycled products and export market. The company has entered into export first time. Hence the focus was to see the segment wise accounting of the company and its profitability. Accordingly, in our audit process we focused over the internal control set up by the management and had to check the policies set up by the management for generating the revenue from various segments and also recording of the inventories pertaining to various segments and their control. |

Other Information – Other than the Standalone Financial Statements and Auditors Report Thereon

The Company's Board of Directors is responsible for other information. The other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Chairman's Statement, Shareholder's Information and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report, Chairman's Statement and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our Opinion on the Standalone financial statements does not cover the other Information and we do not express any form of assurance conclusion thereon.

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

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



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Management's Responsibility for Financial Statements

The Company's Board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors reports. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by The Companies (Auditors Report) order 2016, the order issued by Central government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure-A", a statement the matters specified in paragraph 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The company does not have any branch which has not been audited by us.
 - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) In our opinion, there is no financial transaction, which would have adverse effect on the financing of the company.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the Section 197(16) of the Act, as amended:

In our opinion and according to the information & explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



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- h) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in 'Annexure-B' to this report; and,
- j) With respect to the other matters included in the Auditor's Report in accordance with rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us :
- I. The Company has pending litigation with Income Tax Authorities and the possible impact of which has been disclosed in financial statements.
 - II. The company does not have any long-term contracts including derivative contracts which require provision under any law or accounting Standard for material foreseeable losses.
 - III. There was no amount which was required to be transferred to the Investor Education and Protection Fund.

FOR M/s GARG ARUN AND ASSOCIATES
Chartered Accountants
FRN: 08180N

Place:- Delhi

Date:- 25.06.2021


CA RAMAN KUMAR GARG
(PARTNER)
M. NO. 090564



GARG ARUN & ASSOCIATES

CHARTERED ACCOUNTANTS

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Annexure-A

To the Independent Auditor's Report of Even Date on the Financial Statements of RACE ECO CHAIN LIMITED

A statement as required on the matter specified in the paragraph 3 & 4 of The Companies (Auditors Report) Order 2016, the order issued by Central government of India in terms of sub section (11) of section 143 of the Act,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details & situation of its fixed assets.
(b) All the assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company & the nature of its assets. No discrepancy was noticed on such verification.
(c) Title deeds of immovable properties are held in the name of the company.
- (ii) The inventory of the company has been physically verified by the management. No material discrepancies were noticed physical verification.
- (iii) According to the information & explanation given to us and based on the audit procedure conducted by us, we are of the opinion that the company has not granted any loan, Secured & Unsecured to companies, Firm, Limited Liability partnerships or other parties covered in the register-maintained u/s 189 of the Companies Act 2013.
- (iv) According to the Information & explanation given to us and based on the audit procedure conducted by us, we are of the opinion that company has complied with the provisions of Section 185 and 186 if the companies Act 2013.
- (v) The company has not accepted any deposit from public in terms of Sec 73 to 76 or any provision of the Companies Act 2013 and rules made there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records u/s 148 of the Act, in respect of services carried out by the company.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees State Insurance, Income Tax, Sales-Tax, Goods and Service Tax, duty of customs, Duty of Excise, Value Added Tax, Cess & any other statutory dues applicable to it & there are no undisputed dues outstanding as on 31.03.2021 for a period of more than six months from the date they became payable.



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- (b) According to the information & explanations given to us and based on the audit procedure conducted by us, we are of the opinion that there were no dues of Income Tax, Sales Tax or Goods and Service Tax or Duty of customs or Duty of excise or Value Added Tax that have not been deposited on account of any dispute except of following.

| Nature of Statute | Nature of Dues | Amount (in Rs.) | Periods to which related | Forum where dispute is pending |
|----------------------|----------------|-----------------|--------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax | 7,03,250/- | AY 2009-10 | Assessing Officer |
| Income Tax Act, 1961 | Income Tax | 49,340/- | AY 2010-11 | Assessing Officer |
| Income Tax Act, 1961 | Income Tax | 2,23,070/- | AY 2018-19 | CPC |

- (viii) In our opinion & according to the information & explanation given to us and based on the audit procedure conducted by us, the company has not defaulted in the repayment of Loans or Borrowings from banks or Financial Institution. The company has not taken any loan from Government nor issued any debenture.
- (ix) In our opinion & according to the information & explanation given to us, the company has not taken any term loan during year.
- (x) To the best of our knowledge and according to the information & explanations given to us, no fraud by the company or no fraud on the company by its officer or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The company is not a Nidhi Company; as such the clause is not applicable.
- (xiii) In our opinion and according to the information & explanation given to us and based on the audit procedure conducted by us, we are of the opinion that the company has complied with Sec 177 & 188 of Companies Act 2013 in respect to all transactions, with the related parties & details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment/ private placement of shares or partly Convertible debenture during the year under review.



GARG ARUN & ASSOCIATES
CHARTERED ACCOUNTANTS

Flat No.106, 4832/24, Ansari Road,
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Phone: 011-23283955



- (xv) According to the information and explanation given to us and based on the audit procedure conducted by us, we are of the opinion that the company has not entered into any Non-cash transaction with directors or persons connected with him.
- (xvi) As the information & explanation given to us and in our opinion, the company is not required to be registered u/s 45 IA of the Reserve Bank of India Act 1934.

FOR M/s GARG ARUN AND ASSOCIATES
Chartered Accountants
FRN: 08180N

Place:- Delhi
Date:- 25.06.2021

Ram Kumar Garg
CA RAMAN KUMAR GARG
(PARTNER)
M. NO. 090564



GARG ARUN & ASSOCIATES CHARTERED ACCOUNTANTS

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Annexure-B

To the Independent Auditor's Report of Even Date on the Financial Statements of RACE ECO CHAIN LIMITED

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

To The Members of **RACE ECO CHAIN LIMITED**

We have audited the internal financial controls over financial reporting of **RACE ECO CHAIN LIMITED** as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and



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evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR M/s GARG ARUN AND ASSOCIATES
Chartered Accountants
FRN: 08180N

Place:-Delhi

Date:- 25.06.2021



CA RAMAN KUMAR GARG
(PARTNER)
M. NO. 090564