

Date: September 4, 2021

To,  
BSE Limited  
The Department of corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001.

**Symbol: RTL**  
**BSE Scrip Code: 543274**

**Sub: Annual Report for the financial year 2020-21 and Notice convening the 12<sup>th</sup> Annual General Meeting**

Dear Sir / Madam,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we submit herewith the Annual Report of the Company for the financial year 2020-21 along with the Notice convening the 12<sup>th</sup> Annual General Meeting scheduled to be held on Tuesday, September 28, 2021 at 11:00 a.m. through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

We request you to take the above information on record.

Thanking You.

Yours Faithfully,

For Rangoli Tradecomm Limited

ushik  
mahesh  
gala

Digitally signed by  
ushik mahesh gala  
Date: 2021.09.04  
17:43:54 +05'30'

Ushik Gala  
Chairman and Managing Director  
DIN: 06995765



Key2Elements

# Fuelling the Indian Supply Chain

Rangoli Tradecomm Limited  
Annual Report 2020-21



#### Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Fuelling the Indian Supply Chain

At Rangoli Tradecomm Limited, we have selected to position our role as an end-to-end supply chain enterprise.

We provide end-to-end, timely and efficient services to SME and MSME companies across India that make it possible for them to be liberated of the challenges related to supply chains.

The Company's supply chain for complex business processes facilitates the optimal utilisation of time, energy and resources, while reducing waste, capitalising on economies of scale and addressing need gaps.

Over time, this role has extended beyond the mere commitment to supply products; it has extended to partner with businesses to provide a one-stop solution from the sourcing of products to creating a market place for their products, thus benefiting them from scale of operations, improving efficiency, balancing demand cum supply gaps and enable them to strengthen working capital management.

This value-enhancing engagement is empowering customers to liberate their managerial bandwidth and allocate resources towards business, product and marketing development.

Following reforms and geo-political changes, there is a greater room for responsible supply chain today.

As an opportunity-responsive organisation, Rangoli Tradecomm intends to build on its supply chain by integrating deeper into principals (customers) and emerging as an extension of their businesses.

**Rangoli Tradecomm Limited.**  
**Reinforcing its positioning as a supply chain enterprise.**  
**Delivering distinctive value for MSME and SME companies across India.**  
**Helping customers moderate their costs and enhance margins.**  
*Strengthening their competitiveness.*



**Our recall**  
 The Company's recall as a responsive trade partner has helped increase existing customer wallet share on one hand and address a larger number of customers on the other, catalysing growth towards profitability and sustainability.

**Our initial public offer**

The Company made a public issue of 21,81,000 equity shares of ₹10 at an issue price of ₹207 each in March 2021. The issue was subscribed 1.5x and the Company mobilised ₹45.14 crore. The proceeds strengthened the Company's net worth, providing a scalable foundation.

**Our experienced team**

The Company's promoters and senior management team possess an extensive multi-year and multi-sector knowledge. Their experience has been extended across the organisation, resulting in an institutionalised body of knowledge related to the supply chain. The result is that the Company has developed a recall that 'Rangoli enhances a customer's peace of mind'. The Company's competence has been derived from a distinctive capability – to execute trades at the right junctures, prices, quality and timely delivery.

**Our track record**

Rangoli Tradecomm Limited ventured into the business of supply chain management in 2019 following the existing promoters assuming management control. The Company is engaged in the competent supply chain of products that comprises commodities like polymers, non-ferrous metals, chemical additives and textile varieties that are used in downstream sectors. The family of the Company's promoters possess more than three decades of experience across the textile value chain of yarns, fabrics and garments.

**Robust business model**

The Company provides an end-to-end cost-effective supply chain. These cover resource procurement from the national and international markets, finance, logistics and helping customers build their businesses around a superior price-value proposition.

**Our wide footprint**

The Company's registered office is situated at Kolkata; the Company has corporate offices in Mumbai and Delhi. The Company's services are delivered out of National Capital Region, Haryana, Himachal Pradesh, Rajasthan, Punjab, Gujarat and Maharashtra.

This broad-based geographic footprint makes it possible for SME and MSME companies to procure products at competitive prices, delivered on schedule, frequently replenished and supported by timely financing, moderating the cost of procurement (as opposed to bulk procurement from large supplier or manufacturers), strengthening inventory management and overall competitiveness, thus increasing an efficiency in working capital management.

**Our multi-segment presence has strengthened our standing**

**Textiles:** The Company is engaged in the supply chain of a variety of yarns, fabrics and threads. The Company is engaged with quantum of reputed manufacturers in India that makes it possible to procure and deliver yarns, thread and fabric around a quality cum just-in-time delivery proposition.

**Polymers:** The Company has emerged as a supplier of the right polymer grades at competitive prices to a range of manufacturers.

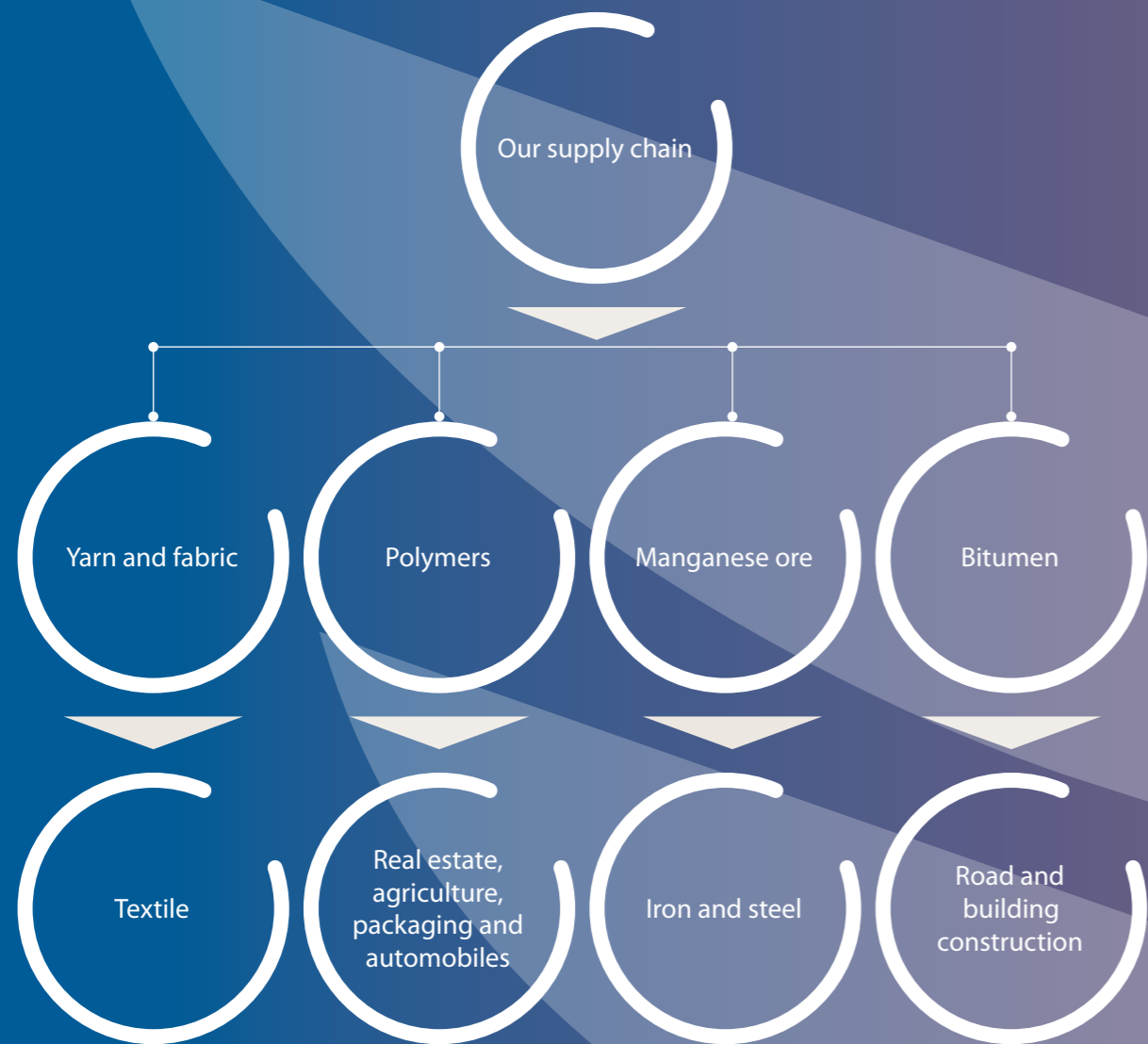
**Manganese ore:** The Company procures and delivers manganese ore at competitive rates.

**Bitumen:** The Company procures bitumen that is used for road construction, rail network, motorways and roofing products.

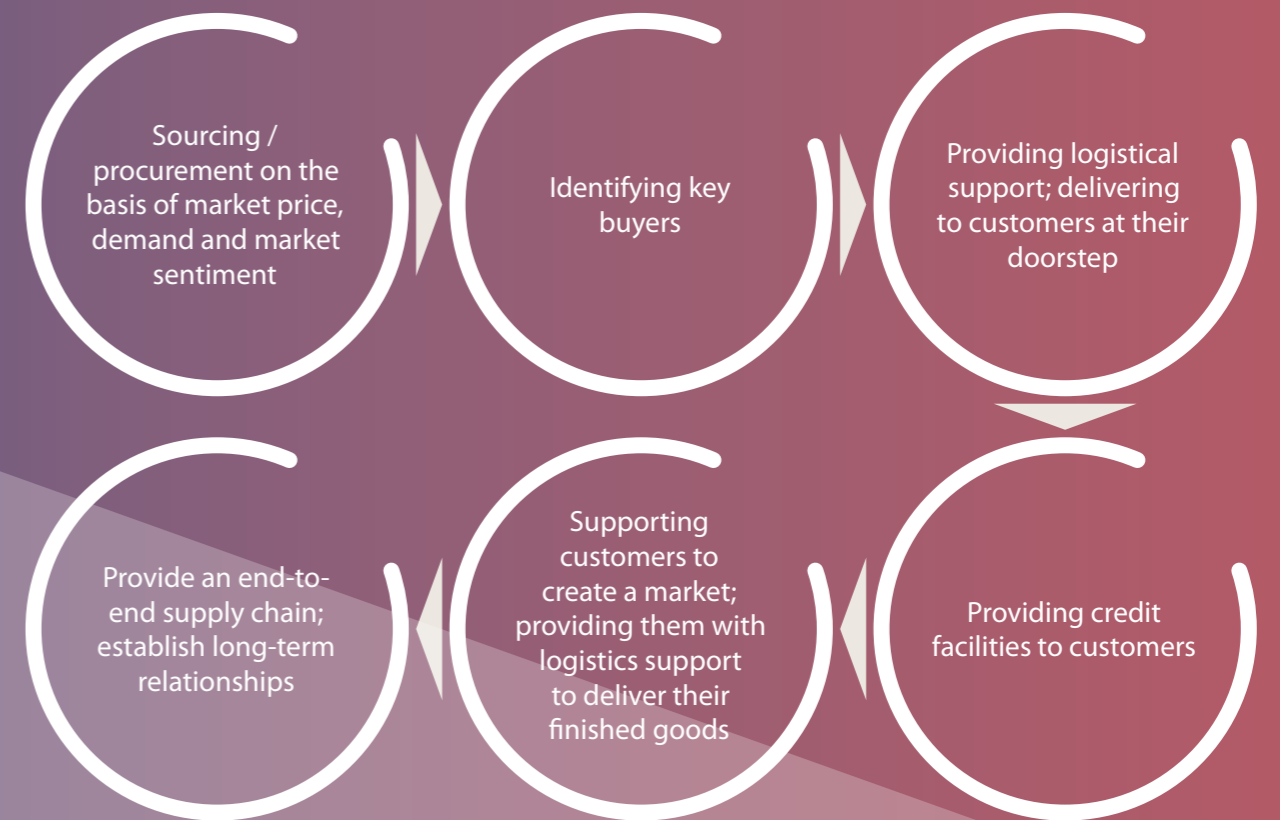
**Commodity polymer**

Product	End users
Ethylene-Vinyl Acetate	Shoe making industry
High-Density Polyethylene	Pipe and packaging industries
Low-Density Polyethylene	Packaging industries
Linear Low-Density Polyethylene	Packaging industries
Poly Propylene / PVC Resin	Automobiles and PVC pipes

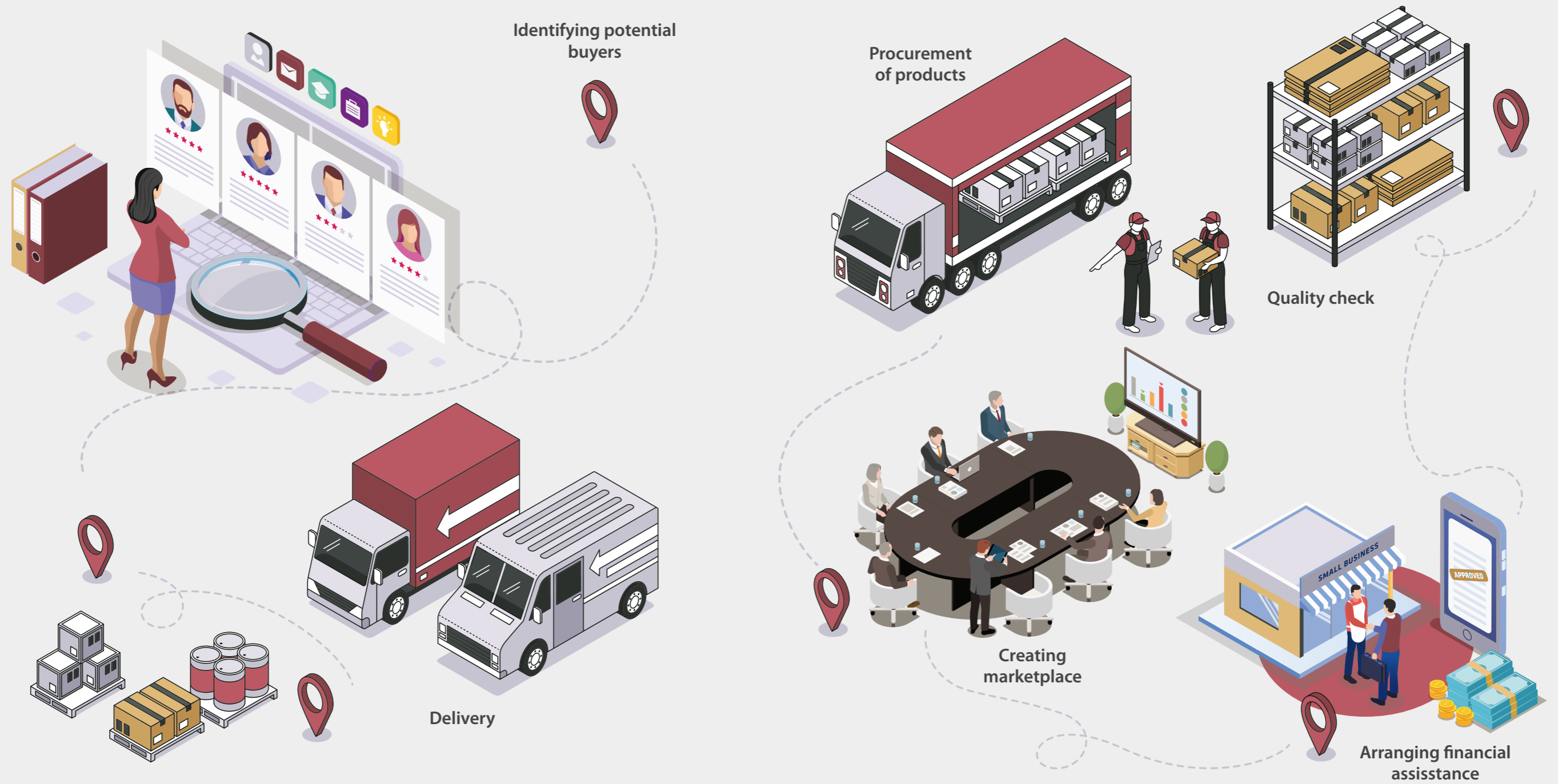
## Our products



## Our robust business model



# Our supply chain workflow



# How we created an exciting foundation in FY 2020-21



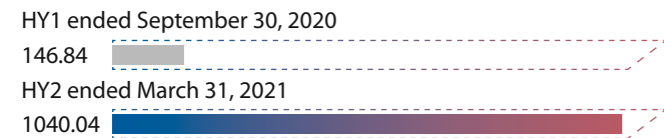
- IPO oversubscribed 1.5x; mobilised ₹45 crore
- Revenues stood at ₹1187 crore, a 7x growth over the previous year
- PAT was ₹51 crore, a 24x growth over the previous year
- Net worth crossed ₹133 crore, a robust and scalable foundation

# Rangoli's credentials were reinforced across each half of FY 2020-21

The financial health of our business

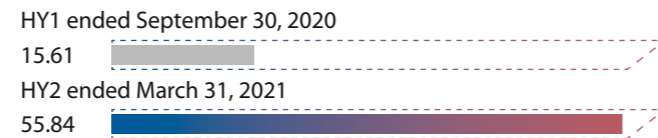
## Revenues

(₹ crore)



## EBIDTA

(₹ crore)



## Profit after tax

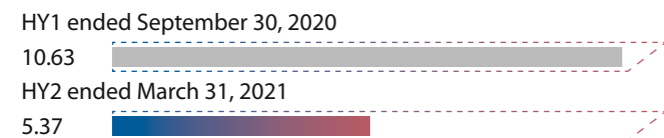
(₹ crore)



The financial hygiene of our business

## EBIDTA margin

(%)



## Interest cover

(x)



## Interest outflow

(₹ crore)



### How we performed in the locked-down first half of FY 2020-21

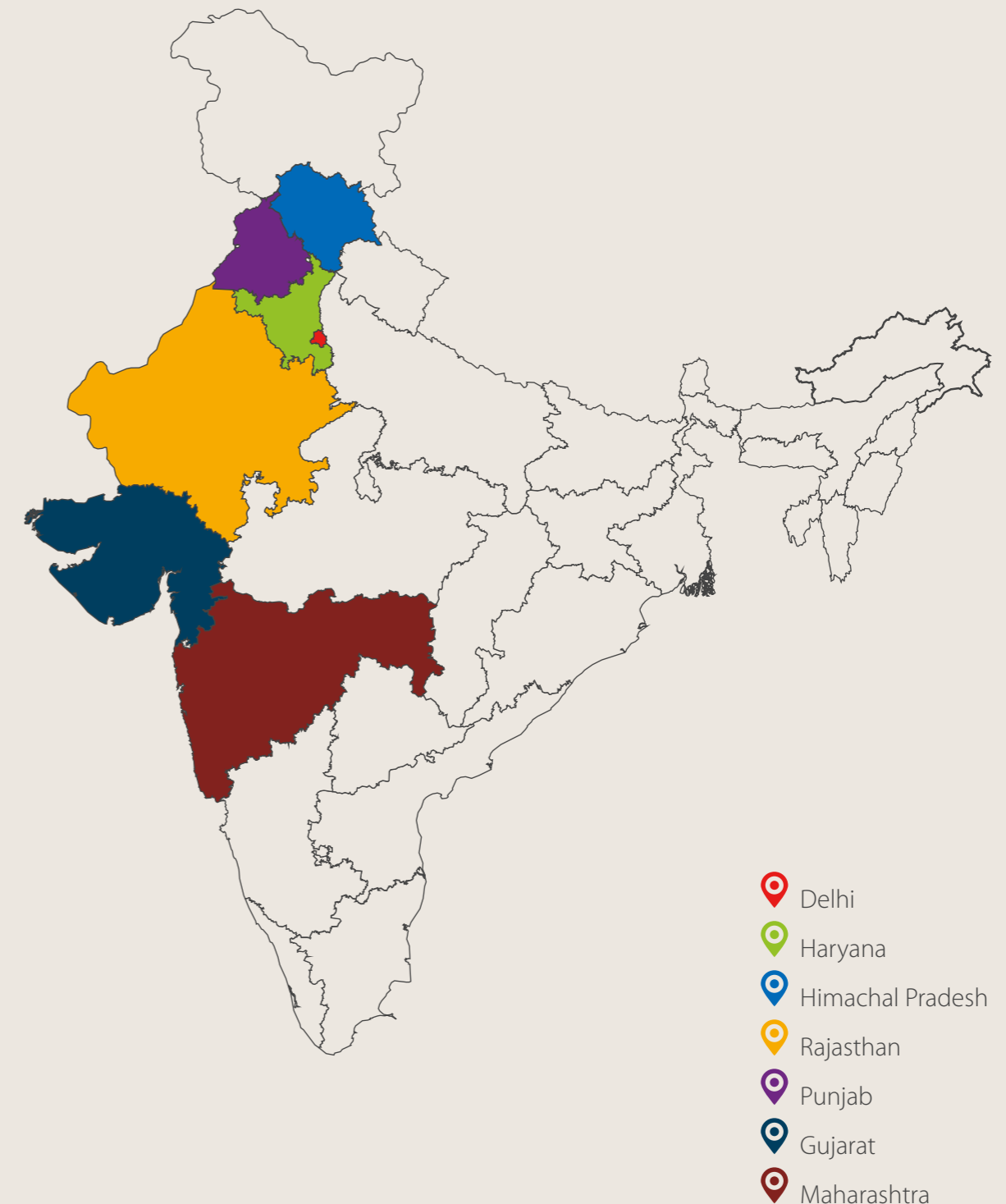
Even though the lockdown imposed by the Indian Government disrupted products movement in India, the Company's dynamic business model helped generate a topline of ₹146.84 crore.

### How we sustained our growth in the second half of the financial year under review

As the lockdown was progressively lifted by State governments, the Company's business revived. This generated a top line of ₹1040.04 crore in the second half of the year under review, a seven-fold increase over the first half.

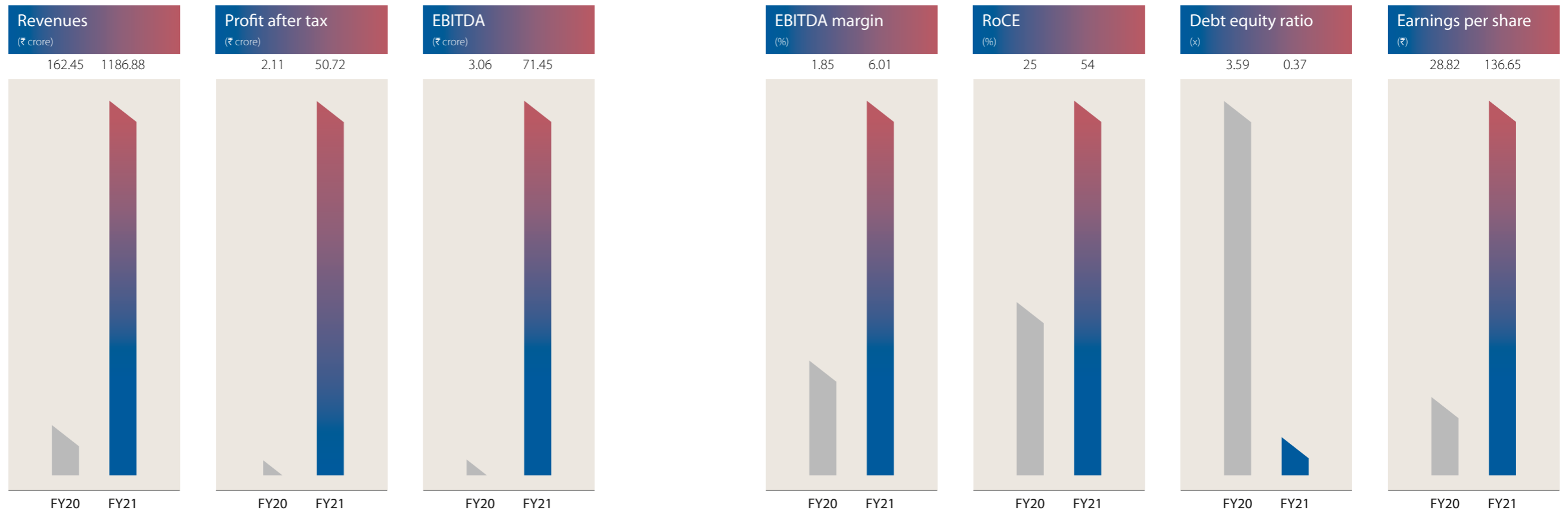
## Our geographical presence

Rangoli Tradecomm services customer needs through its pan-India distribution footprint





# How the strength of Rangoli's business model has translated into dramatic growth



**Definition**  
Sales figure net of taxes

**Why this is measured**  
It highlights the brand acceptance and reach of the Company in the market

**Performance**  
The Company has generated sharp growth over the years.

**Value impact**  
Creates a robust growth engine on which to build profits

**Definition**  
Profit earned during the year after deducting all expenses and provisions

**Why this is measured**  
It highlights the strength in the business model in generating value for its shareholders.

**Performance**  
The Company reported a profit after tax of ₹50.72 crore for the year under review.

**Value impact**  
Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to keep running

**Definition**  
Earning before the deduction of interest, depreciation, extraordinary items and tax

**Why this is measured**  
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures and can be easily compared with retrospective averages of sectoral peers.

**Performance**  
The Company's EBITDA in FY 2020-21 increased to ₹55.84 crore primarily on account of a sharp increase in topline.

**Value impact**  
Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

**Definition**  
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

**Why this is measured**  
The EBITDA margin provides an idea of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sale

**Performance**  
The Company reported an increase in EBITDA margin to 6.01% during the year under review.

**Value impact**  
Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances profitability.

**Definition**  
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

**Why this is measured**  
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors

**Performance**  
The return on capital employed of the Company increased to 54% during the year under review to due to a higher traded throughout and superior coverage of fixed costs.

**Value impact**  
Enhanced ROCE can potentially drive valuations and perception

**Definition**  
This is derived through the ratio of debt to net worth (less revaluation reserves).

**Why this is measured**  
It is a measure of company's financial health, which indicates the financial leverage of the Company compared to shareholders' funds

**Performance**  
The Company's gearing stood at 0.37x in FY 2020-21 compared to 3.59 in FY 2019-20, enhancing the role of net worth in business growth.

**Value impact**  
Increases shareholder value by keeping the retained earnings higher and securing the benefit of lower cost of debt.

**Definition**  
It is the portion of a company's profit allocated to each outstanding share of common stock.

**Why this is measured**  
This figure depicts the actual value the Company has created for its shareholders.

**Performance**  
The Company's EPS for FY 2020-21 increased sharply to ₹136.65 from ₹28.82 in the previous fiscal.

**Value impact**  
Adds value in the hands of the shareholders through enhanced earnings per share

CHAIRMAN'S OVERVIEW

# Rangoli. Building a culture of excellence



## Overview

I am proud to present the first annual report of our Company following our Initial Public Offer in March in 2021.

The last year was challenging in view of pandemic. Despite the various lockdowns and other strict Government restrictions and regulations in different cities, we, at Rangoli Tradecomm Limited, reported an exceptional year. We reported healthy growth across our financial and operational metrics, posting our best-ever financial performance. With constant support from our customers, a solid all-around working team, dedicated management and our

unique customer centric business model, we embraced every opportunity that came our way, making the best of them.

The pandemic-induced lockdowns, announced worldwide, underlined the importance of supply chain management. Companies who were able to handle the disruptions better with competent supply chain partners were successful in getting their product to customers, meet demand and endure adversity. Rangoli Tradecomm emerged as a trusted and reputed partner for supply chains of its customers.

I am pleased to communicate that our strategic clarity and execution capability

helped us more than seven-fold revenues from the first half of the last financial year to the second, empowering the Company to cross ₹1000 crore in revenues during the last financial year.

I take this opportunity to communicate the rationale and relevance of our business model and why we are optimistic of enhancing value in a rapidly transforming world.

The one aspect of business that is becoming increasingly relevant to the modern world is the need to provide the right product at the right time in the right quantity to the right location.

This need is arising from the desire to be completely sustainable at all times. In an increasingly competitive world, there is a premium on sweating efficiency from all activities - having adequate raw materials to work with, which is neither too much where it begins to affect working capital efficiency and neither too little where unexpected demand spikes can result in resource stock-outs.

Besides, the age of passing cost increases to customers is well over; companies need to locate cost inefficiencies from within their businesses. As a result, increased margins are more likely to be derived from systemic waste elimination, especially through enhanced supply chain efficiency.

This subject became increasingly relevant during the last financial year when Indian port operations were disrupted. There was a shortage in the availability of containers and a sharp increase in freight costs. Imports declined and a number of Indian manufacturing facilities scrambled to aggregate material in short supply. Besides, with a number of companies having manufacturing facilities across different locations marked by varying logistical complexities, there was a premium for intermediation partners who could service these various locations with corresponding resource requirements.

In response to these emerging realities, downstream companies recognised that the ability to aggregate the right quantity of the right products at the right cost and delivered at the right time would warrant specialised capabilities that extended beyond the location of suppliers to engagements with shipping companies and the right logistic costs.

More than anything, a larger number of companies recognised the need to enter into alliances with supply chain partners that would empower them to liberate their managerial bandwidth and focus completely on manufacturing and sales. This created a need for business partners to focus completely on enhancing supply chain effectiveness by using multi-modal partners, entering into back-to-back alliances with product suppliers.

We are engaged in this business to simplify the complex nature of the supply chain across products that are critical to nation building. We believe we have a growing role to play following the enunciation of the Atmanirbhar Bharat initiative of the Indian government. As India industrialises faster, the country's MSME sector will need to regain its position as the wheel of the economy, empowered by a robust supply chain. Besides, as India graduates from an economic size of a little less than USD 3 trillion today to USD 5 trillion through this decade in line with the aspiration of the Indian Prime Minister Mr. Narendra Modi, we believe that there will be a wider role for a responsible supply chain enterprise like Rangoli Tradecomm.

At Rangoli, we serve as an end-to-end partner in sourcing products from the right vendors, providing logistics and financial support and creating a market place for the customers, benefiting them from our scale of operations, balancing demand and supply gaps and enabling them to strengthen their working capital management.

## A time of change

Interestingly, the one change that has transpired in the last few years is an increased focus on supply chain, as distinct from supply chain management. In our understanding, the conventional application of the term 'supply chain management' was the transfer of products from point A to point B. The customer's needs have become far more complex since; the emerging concept of supply chain warrants that external partners assume a complete responsibility in ensuring that their principals are provided specified material just when they want.

This online engagement is opening up a range of possibilities: an increasing number of companies seek delivered solutions; as long as the products are standardised

and a long list of probable customers has been identified, buyers are increasingly supplier-agnostic: the material can come from anywhere as long as it delivered around the highest price-value proposition. This flexibility to source from anywhere as long as it corresponds to the highest delivered value and the capacity to assume the responsibility of single-point material supply (as distinct from a manufacturer engage to supply) has helped strengthen our supply chain process.

## Our distinctive capabilities

At Rangoli Tradecomm, we believe that we are attractively placed to capitalise on the opportunities of our sector for good reasons.

The Company focused on specific spaces, strengthening its brand. It enhanced its market share in the PVC trading segment (especially in North and North-Central zones) within a short time of entering this space in 2019.

The Company is engaged in addressing the supply chain of products (yarns, fabrics, polymers, manganese ore and bitumen) that are core to India's industrialisation and prosperity.

The Company intends to deliver products with speed and frequency, making it possible for SME and MSME partners to moderate their working capital outlay, strengthening their competitiveness.

The Company has established a trading competence in institutional engagements, comprising B2B (business-to-business) relationships. On the back of effective sourcing, the Company provides a substantial value proposition to customers, building scalable and sustainable long-term relationships with buyers. The Company's operations are spread across Delhi, North India, Haryana, Himachal Pradesh, Rajasthan, Punjab, Gujarat and Maharashtra; it intends to widen its pan-India footprint in the coming years.

The Company intends to graduate from one-off engagement to ongoing intermediation for its customers, strengthening its revenue visibility and emerging as an extension of the customer's enterprise.

The Company is committed to enhance stakeholder value, strengthening its sustainability.

## Outlook

To capitalise on the trusted and long standing brand value of 'SUUMAYA', Rangoli being a Suumaya group company, intends to change its name to 'Suumaya Corporation Limited', subject to statutory approvals and shift its registered office to Mumbai, the state of Maharashtra, from Kolkata, West Bengal, to enhance economies of scale and ensure administrative convenience.

At Rangoli, we are focused on strengthening our visibility and capability in the specialised supply chain area. We intend to provide world-class supply chain services, strengthening our business ecosystem.

We seek to widen the number of companies we work with; we will focus on capturing a larger share of their engagements and spending; we expect to reinforce our position as their trusted partners.

Rangoli intends to grow its PVC business by widening its product basket at one end and broadening its pan-India foothold on the other with the objective to emerge among leading PVC trade intermediaries in India. Besides, the Company intends to replicate its success across other commodities like paper, ferrous & non-ferrous metals.

In doing so, we intend to create a world-class supply chain that enhances value for our stakeholders in a sustainable way.

I want to express my deepest gratitude to scientists, doctors, nurses, police, volunteers and many others who are waging a battle against COVID-19. We owe a great deal to them. I would like to thank each employee as well as those working with partners across our value chain for their commitment to Rangoli in these challenging times. Most importantly, I would like to thank you, our shareholders, for your trust, support and confidence in Rangoli Tradecomm Limited.

## Ushik Gala

Chairman and Managing Director

FROM THE CO-FOUNDER'S DESK

# Supply Chain Enterprise. An idea that fuels growth.



strength to strength to expand its national presence. We are helping businesses in providing a wide range of raw material like fabric, yarns, threads and all kinds of polymers at a reasonable cost. The country can become a super power economy and the manufacturers can produce world-class products if they have access to timely and cost effective raw materials. At Rangoli, our mission is to provide cost-effective raw material to each and every manufacturer under one roof so that India can achieve the vision of Atmanirbhar Bharat.

In a large country with a dispersed presence of resources, manufacturing facilities, ports, airports and consumption points, there is a premium on the need to aggregate resources at the lowest cost and in the quickest time, economically inventorise raw materials or finished goods and dispatch finished products in the most efficient manner.

This subject is drawing increased attention: the difference between the costs of logistics as a proportion of GDP in India compared with developed countries has been estimated at more than 500 bps, affecting India's competitiveness. Besides, the introduction of the Goods and Services Tax in the last few years has helped moderate supply chain costs through a uniform indirect tax rate and a lower need to stock products in different states.

These realities indicate that India's supply chain benefit of GST reform needs to be taken to its logical conclusion through futuristic infrastructure and specialised players that enhance national supply chain competitiveness; the scenario warrants specialised players.

India accounts for nearly 18% of the global population but India's share in global exports for merchandise was 1.71 % and in global imports was 2.53 %, a large headroom waiting to be corrected. As India industrialises faster and the benefits of policy reforms begin to kick in, we are

optimistic that India's competitiveness as a global products and services provider will increase, enhancing port throughput. A CII report titled 'Re-orienting India's Export Endeavour in the COVID-19 World' makes a policy suggestion on how India needs to aim for 5% share of world merchandise exports and 7% in services exports by 2025.

The result is that supply chain indicates growing national potential.

As Indian enters a phase of economic expansion, competent supply chain management will play an increasingly critical role in taking the country's competitiveness ahead.

Rangoli Tradecomm has differentiated itself as a supply chain enterprise on account of its strategic broad-basing, empowering it to capitalise on opportunities: diverse vendors, different regions (domestic and global), procurement flexibility (importers, high seas purchase and direct imports) and different downstream buyers (traders and

manufacturers, etc.) The result has been competitive sourcing leading to a superior customer value proposition and lower inventories.

Going forward, the Company intends to expand its operations globally, implement advanced digitisation in its processes, venture into more products and expand its presence across downstream industries.

I would like to take this opportunity to thank all our people who have been tirelessly working to ensure that we continue to serve the people of this country through this extremely challenging year. Most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support, and confidence in Rangoli Tradecomm Limited.

**Sumit Pal Singh**  
Co-Founder and Non-Executive Director

India accounts for nearly 18% of the global population but India's share in global exports for merchandise was 1.71 % and in global imports was 2.53 %, a large headroom that is waiting to be corrected.

## Overview

At Rangoli, we believe that a competent supply chain acts as a fuel for growth of the SME and MSME sectors, emerging as a backbone of a growing Indian economy,

There are a number of reasons that make this an area of growing potential.

**One**, the digitalisation of businesses has made it possible to aggregate various suppliers on a platform and compare product rates in real-time.

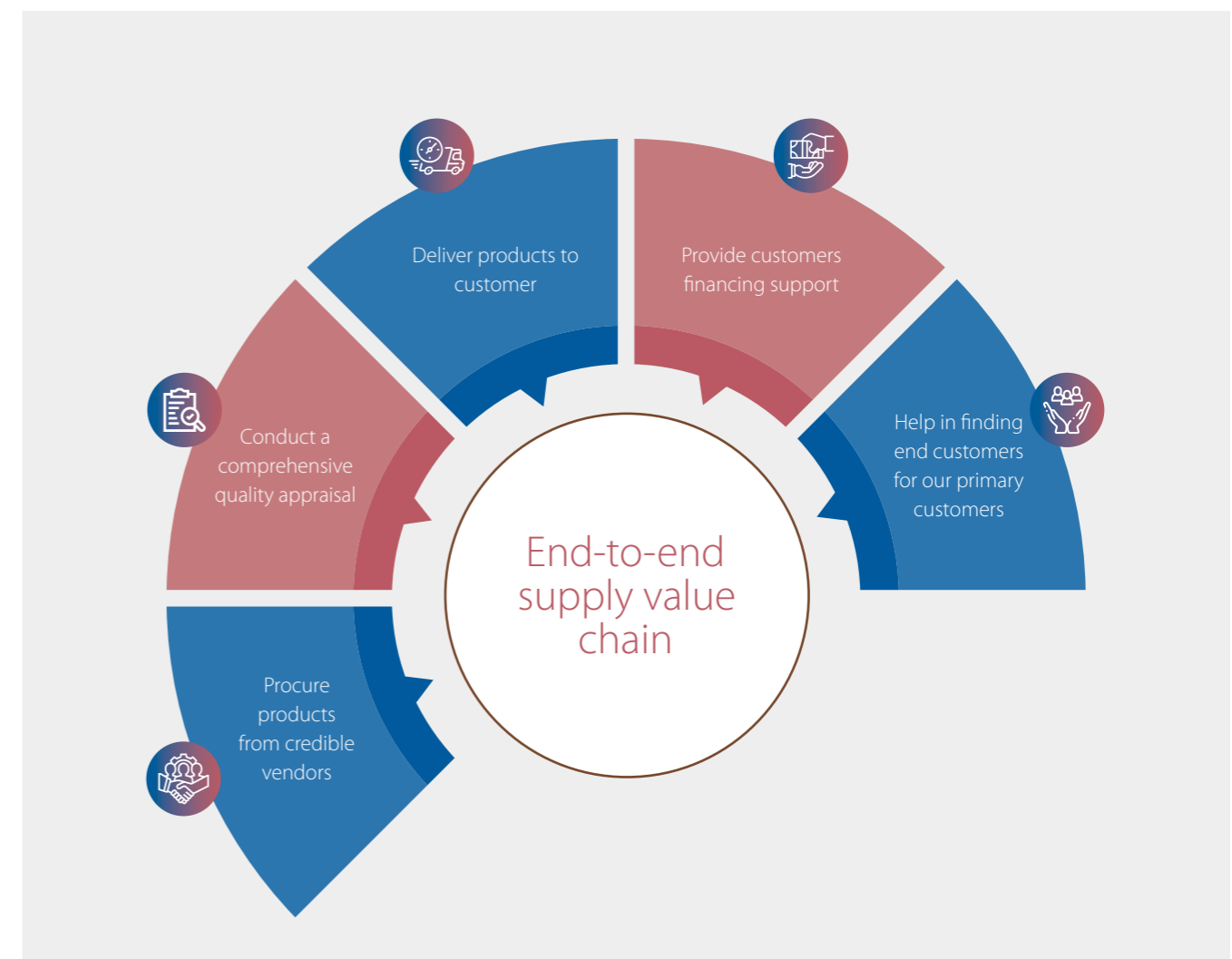
**Two**, the digitalisation of the world of commerce has enhanced a user's access to resource suppliers the world over.

**Three**, resource buyers and resource suppliers need specialised intermediaries

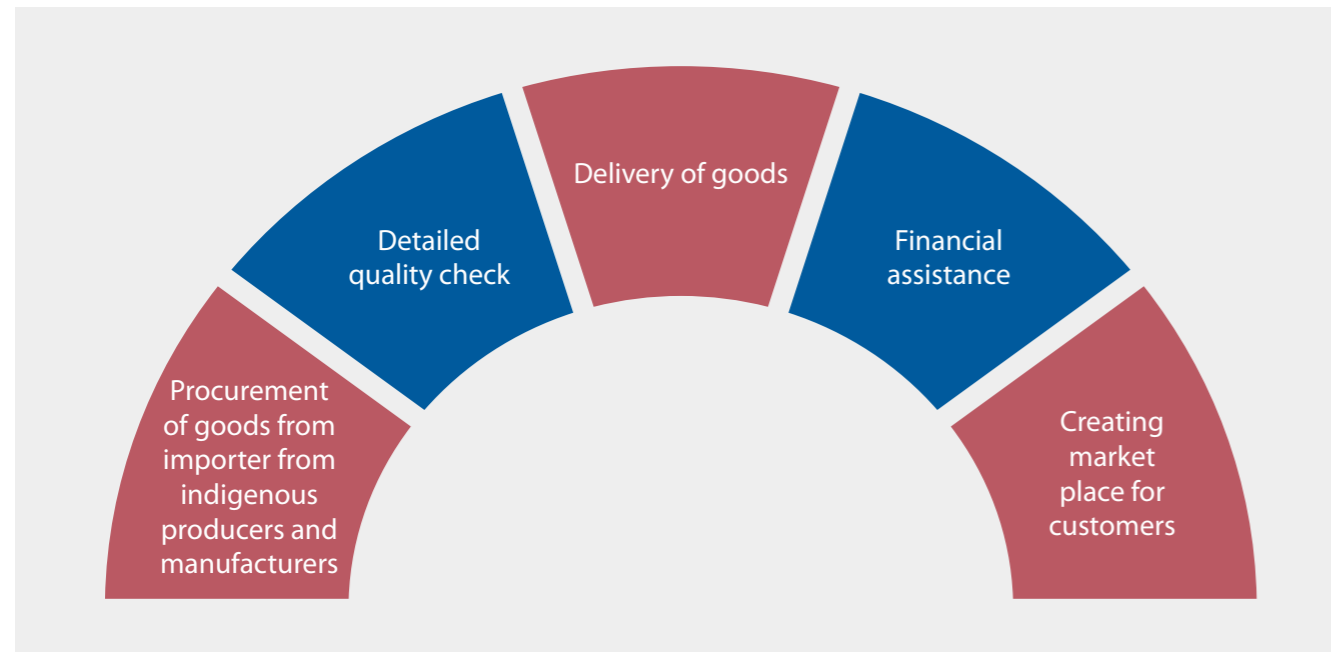
to address the complexities of multi-modal dispatch and just-in-time delivery.

**Four**, resource buyers do not just need products any longer; they need complete one-stop product delivery solutions.

Procurement of raw material is the first requirement for starting any business and making it successful. The cost of raw material increases multifold when it passes through distributor channels, leading to decreased competitiveness and delays against imported products. Realising the wide gap between a producer and manufacturer, the Company came into existence to provide all kinds of raw materials to manufacturer under one roof at a reasonable cost. Started with a humble beginning, the Company has grown from



# The various stages of our presence and value-addition



**Procurement of goods**

The Company sources products (polymers, yarns, fabrics, threads, bitumen and manganese ore) from various countries and from within India to market to an entire downstream eco-system that comprises traders, semi-wholesalers and manufacturers. This provides the Company's suppliers across countries with an access to the vast Indian market through a responsible intermediary; it provides our customers with access to product consistency around a superior price-value proposition – a win-win solution at both ends of the supply chain.

**Quality appraisal and assurance**

The Company assures quality products for customers through a process of rigorous appraisal that validates whether the products address the demanding specifications of our customers. At the time of checking, if moisture or spoilage is found, we get the products replaced by the principal supplier before delivering to customers. This has enhanced our respect for responsible intermediation where customers feel that we stand as an intermediary focused on strengthening its business as opposed to a limited focus on intermediation commissions.

**Delivery**

After complying with all pre-requisites and adhering to custom laws, the products are dispatched to manufacturers - the right quantity at the right time and to the right locations – resulting in a complete and integrated solution.

**Providing financial assistance**

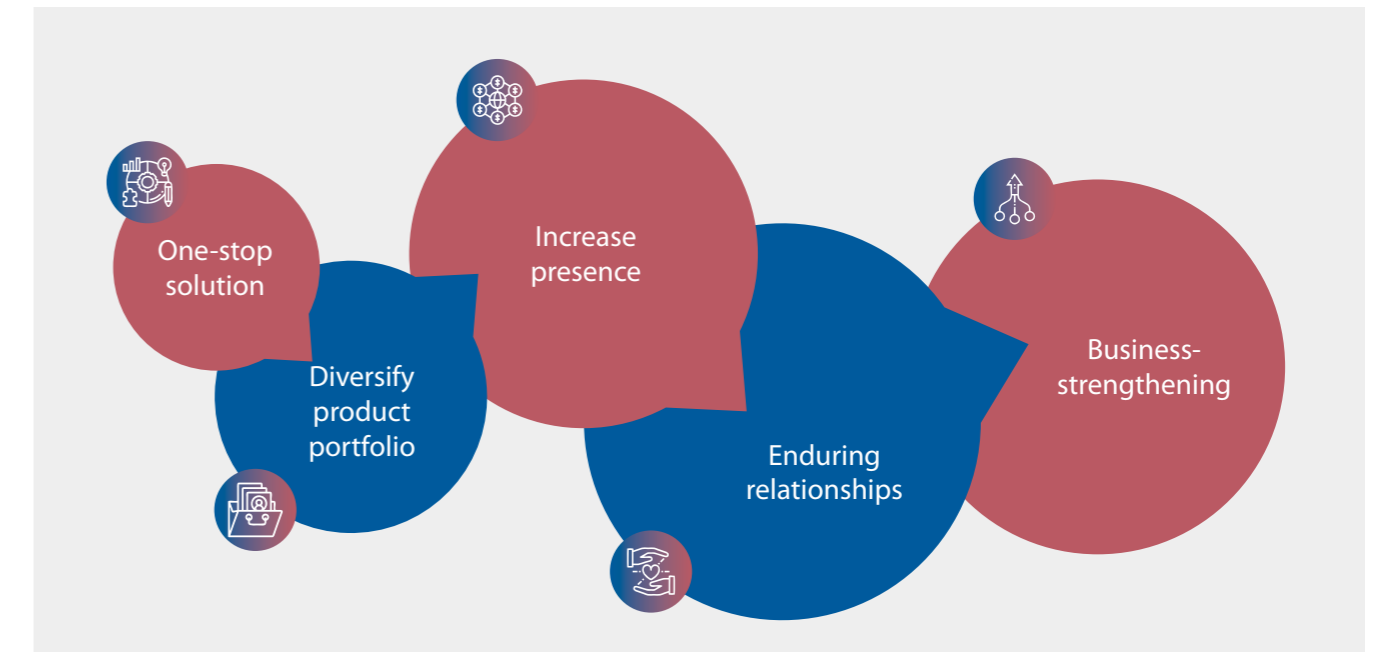
The Company helps its customers by arranging financial assistance to MSMEs and SMEs, enabling them procure their requirements at right time and in turn, aiding in their business growth.

**Creating marketplace for customers**

The Company helps creating marketplace for its customers by finding them end users to sell the products.

# The strategic value-creating framework of Rangoli Tradecomm

How we intend to grow our business and enhance long-term stakeholder value



**One-stop solution**

Rangoli provides comprehensive solutions, supplying customers with raw materials like fabrics, yarns, bitumen, manganese ore and polymers for onward use in manufacturing operations. This timely service helps customers liberate their precious managerial bandwidth for other business-strengthening functions like product development, marketing and manufacturing

**Enduring relationships**

The Company has developed a strong clientele on the back of its supply chain capability, which provides a complement of the right product quality / quantity delivered on schedule around the best price-value proposition. The result has been the extension of what could have been a one-off transaction into a multi-year relationship.

**Increase presence**

The Company's network (sales representatives) has been geographically dispersed, making it possible to address the growing demands of customers (existing and emerging). This footprint is expected to progressively widen and deepen in line with national cum portfolio growth.

**Diversify product portfolio**

Rangoli keeps adding products to its portfolio, helping it expand its clientele or accounting for a larger share of the customer's wallet.

**Business strengthening**

The Company's supply chain has been directed towards enhancing the competitiveness of its customers, measured most transparently and visibly through an increase in EBITDA.

**Competitive pricing**

The Company is focused on providing a competitive price for delivered solutions to customers by the virtue of eliminating intermediaries, enhancing the price-value proposition for customers.

**Strategic broad-basing**

The Company broad-based across vendors, regions (domestic and global), procurement flexibility (importers, high seas purchase and direct imports) and downstream buyers (traders and manufacturers etc.), strengthening flexibility and adaptiveness.

# Rangoli Tradecomm. How we intend to enhance integrated value for our stakeholders

An integrated, inclusive and sustainable approach

## Overview

At Rangoli, we are committed to enhance value in an integrated manner for our stakeholders, reflected and communicated through the Integrated Value-Creation Report.

The purpose of integrated reporting is to explain to providers of financial capital how an organisation enhances sustainable value. This report overcomes the limitations of the conventional approach. It comprises



a comprehensive reporting framework that blends 'hard' and 'soft' initiatives; it highlights the 'how' related to value-creation over the 'what'.




The result is that the Integrated Reporting format integrates diverse reporting strands (financial, management commentary, governance, remuneration and sustainability reporting) into a unified format that explains an organisation's holistic ability to create, enhance and sustain value.

The impact of the Integrated Report extends beyond financial stakeholders; it enhances an understanding of how the various stakeholders - employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - enhance organisational value. This format helps screen a company more comprehensively, addressing the needs of investors, analysts, media and opinion makers.

## Engaging our stakeholders

We recognise the importance of fostering deep relationships with key stakeholders through transparent engagement. We focus on improving on our credibility and rapport. We have categorised our key stakeholders as follows:

Stakeholder group	Rangoli's considerations	Stakeholder interests	How we engage	Capitals impacted
 Customers	The products are used by manufacturers to produce end products for the use of consumers and therefore it is imperative that we provide quality products. We focus on procuring quality products from reliable and credible vendors.	<ul style="list-style-type: none"> <li>Quality, availability, accessibility and affordability</li> <li>Consistent, reliable and just in time delivery</li> <li>Impact of sub-optimal products or any quality concerns which may arise</li> </ul>	<ul style="list-style-type: none"> <li>Engage with primary buyers</li> <li>Transparent communication with primary customers through commercial discussions and meetings</li> <li>Team building and motivation initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Intellectual</li> <li>Social &amp; relationship capital</li> </ul>
 Government, statutory regulatory authorities	The Company is governed under various statutes. Our ability to procure and deliver products is dependent on regulatory approvals and compliances	<ul style="list-style-type: none"> <li>Legal and regulatory compliance</li> <li>Tax revenues and investments</li> </ul>	<ul style="list-style-type: none"> <li>Adhering to a comprehensive compliance framework</li> <li>Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes</li> <li>Compliance framework</li> </ul>	<ul style="list-style-type: none"> <li>Social, Statutory &amp; relationship capital</li> </ul>

Stakeholder group	Rangoli's considerations	Stakeholder interests	How we engage	Capitals impacted
 Employees	Employees play a critical role in ensuring that we achieve our objectives. We seek to continuously understand their needs, challenges and aspirations	<ul style="list-style-type: none"> <li>Job security</li> <li>Equitable remuneration, performance incentives and benefit structures</li> <li>Diversity and inclusivity</li> <li>Performance management, skills development and career planning</li> <li>Reputation as an ethical employer</li> <li>Employee health, safety and wellness</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagements by supervisors and business management</li> <li>Induction and internal training</li> <li>Employee wellness campaigns</li> <li>Team building and motivation initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Human &amp; Relationship</li> </ul>
 Suppliers	These stakeholders play an important role in enabling us to meet our commitments to customers	<ul style="list-style-type: none"> <li>Fair engagement terms and timely settlement</li> <li>Ongoing communication on our expectations and service levels provided</li> <li>Fair and timely payment</li> </ul>	<ul style="list-style-type: none"> <li>Conducting various training programs</li> <li>Third party risk assessment</li> </ul>	<ul style="list-style-type: none"> <li>Social &amp; relationship</li> <li>Financial</li> </ul>
 Investors and lenders	As providers of capital, these stakeholders require to be kept informed of material developments impacting the Company and prospects. Adherence to best governance practices to enhance transparency and trust	<ul style="list-style-type: none"> <li>Growth in revenue, EBITDA and returns on investment</li> <li>Appropriate management of capital expenditure, working capital and expenses</li> <li>Gearing, solvency and liquidity</li> <li>Dividends</li> <li>Security over assets, ethical stewardship of investments and good corporate governance</li> <li>Fair executive remuneration</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated investor and analyst presentations</li> <li>Stock exchange announcements, media releases and published results</li> <li>Annual General Meetings</li> <li>Investor Relations section of Rangoli's website</li> </ul>	<ul style="list-style-type: none"> <li>Financial</li> </ul>

# The operating context at Rangoli Tradecomm

Rangoli's business model represents the backbone of its stakeholder value-creation commitment. It is committed to enhancing long-term value through the achievement of periodic targets relating to volumes, portfolio mix, profitability, on-time-in-full delivery percentage, cost moderation and business sustainability. The Company's ability to enhance value in a sustainable way has been derived from positive national and sectorial realities.

**GDP growth:** India was the sixth largest country in the world by GDP size in FY 2020-21; the country is expected to sustain its annual growth and emerge as the third largest economy by 2030. This growth is likely to catalyse the demand for a range of products, warranting timely supply chain services that make their manufacture efficient and effective.

**Population growth:** India's population of around 1.39 billion is growing at around 1% per year, resulting in the largest population accretion anywhere in the world. This sustainable population accretion will make India the most populous country by the end of this decade. In turn, the population growth is expected to sustain the demand for products, enhancing the role for responsible intermediation.

**Demographics:** India has one of the world's largest young populations with a median age of around 28, younger than most large countries. This age group (largely comprising millennials and Gen Z) is a potent economy driver, wired towards responsible spending over saving and open to debt-funded acquisition over savings-driven spending. This reality is expected to catalyse one of the biggest consumer groups of textiles and apparel which, in

turn, could drive the demand for yarns and fabrics.

**Aspiration shift:** A large portion of Indian consumers is shifting from need-based purchases (staples) to aspirations-based purchases, enhancing the value of their purchases. This has been reflected in a range of purchases comprising homes, vehicles, clothes, furniture and consumer appliances, among others. In turn, this has accelerated the demand for value-added sub-products being needed in a larger quantity around a superior quality proposition.

**Sustained demand:** The Company has selected to intermediate the supply and delivery of products that are used continuously in the manufacture of products integral to humankind's prosperity. This has secured the Company's supply lines, leading to revenue visibility and the annuity nature of incomes. For instance, the Company selected to procure and deliver manganese ore, considered essential to steel making and nation building. We believe that by the virtue of steel being integral to prosperity and nation building, the Company's engagement in the space of manganese ore will continue to be relevant.

**Growing infrastructure:** Foreign direct investment in India's construction development sector and infrastructure construction activities stood at USD 25.93 billion and USD 23.99 billion, respectively, between April 2000 and December 2020. In FY 2020-21, infrastructure activities accounted for 13% share of the total FDI inflows of USD 81.72 billion. This spending has strengthened the offtake of a range of products intermediated by the Company.

**Agricultural:** Accounting for the livelihood of nearly 58% of the Indian population, the agricultural sector is the largest consumer of water in the country. The country has experienced an increase in the yield of crops with rice, wheat, barley and corn production amounting to 117.94, 103, 1.85 and 27.5 million tonnes, which is anticipated to catalyse the growth of the PVC pipes sector, which in turn could drive the demand for polymer.

**Irrigation:** The country's irrigation sector is expected to offer business opportunities to various stakeholders, including engineers, equipment providers and financiers, procurement and construction (EPC) contractors and project developers.

# How Rangoli is competently placed to capitalise

**Profitable growth:** The Company reported significant revenue growth corresponded by a commensurate bottom-line increase in FY 2020-21, strengthening profitable growth.

**Trust:** The Company has built its credibility on the basis of trust developed by its customers, validated by its financial performance.

**Wide range:** The Company offered a range of products (polymers, fabrics, yarns, manganese ore and bitumen) to customers.

**Team size:** The Company has engaged an experienced sales team that helped broaden its customer base and brand visibility.

**Governance commitment:** The Company is an ethical player, responding with a sense of governance. Over the years, the governance reflected is in complete alignment with the compliance needs of its business, workplace safety, commitment to customer interests and addressing statutory obligations.

**Brand recall:** The Company's respect has been derived from a recall around attributes like 'trust' and 'dependable'; this helped generate a growing revenue ticket size per major customer.

**Knowledge capital:** The Company focuses on retaining skilled and senior personnel for long-term benefits.

**Widespread reach:** The Company appointed sales representatives across the country, empowering it to reach customers across the vast land mass.

## Strategic priorities

**Profitable growth:** The Company focuses on a superior supply chain, wider product portfolio, pan-India presence and increased brand visibility with the objective to generate profitable multi-year growth.

**Topline growth:** The Company grew its topline in the face of a global slowdown through superior serviceability and supply chain management.

**Working capital efficiency:** The Company focused on a better management of receivables with the objective to reduce interest and enhance liquidity.

**Interest outflow:** The Company intends to moderate the interest cost on loans.

## Our resources

**Financial Capital:** The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt and net worth.

**Human Capital:** Our management, employees and contract workers form a part of our workforce that enhances value.

**Intellectual Capital:** Our aggregate multi-decade experience of growing our business (across products, resources, markets, partners and financials) translates into our intellectual capital.

**Social and Relationship Capital:** Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.



# Events at Rangoli



Listing ceremony



Mr. Ashish Kumar Chauhan, MD and CEO, BSE, presenting the miniature BSE gong to the promoters of the Company



Mr. Sumit Pal Singh presenting a memento to Mr. Ajay Thakur, Head - SME, BSE Limited



Mr. Ushik Gala presenting a memento to Mr. Ashish Kumar Chauhan, MD and CEO, BSE Limited



Our team and their families



Team Rangoli with Mr. Ajay Thakur, Head - SME, BSE Limited



Our team



Our Founder and promoters

# Management discussion and analysis



## Global economic review

From an economic perspective, in 2020 global output shrank 3.3%, significantly lower than the GDP decline in 2009 owing to the global financial crisis.

The global trade volume (goods and services) declined by 9.6% in 2020 after a modest 1% rise in 2019. Moreover, global trade started recovering in Q4 FY 2020-21 as the merchandise trade volume turned positive on a year-over-year basis since November 2020.

The pandemic affected the developed economies hardest, with an estimated output decline of 4.7% in 2020, due to the strict and prolonged lockdown measures that were imposed in many European countries and some parts of the United States during the outbreak. The contraction

was comparatively milder in developing countries, with output shrinking by 2.2%.

Following the contraction caused by the COVID-19 pandemic in 2020, global economic activity gained momentum even as it remained below pre-pandemic reality. The ongoing pandemic continued to shape the trajectory of the global economic activity, with severe outbreaks weighing in on growth in many countries. The second wave of COVID-19 was concentrated across some emerging markets and developing economies, where more transmissible and virulent strains spread and vaccine access remained limited. The rapid spread of the Delta variant is triggering new travel restrictions across the globe, a setback for the tourism sector, which is

key for many emerging markets. Monetary policy normalisation is still progressing, but concerns over a potential setback in growth and subsiding inflationary pressures in certain cases could reduce pressure on some emerging markets' central banks. The world is witnessing a surge in inflationary pressure due to rising crude and commodity prices (food inflation comment as per last correction is yet to be addressed), which affected the purchasing power of a population already affected by job losses and income uncertainties.

The global economy is expected to see a rebound in 2021 with the International Monetary Fund (IMF) projecting a 6 % growth, with US stimulus and vaccine optimism leading to a further opening

up of economies. The growth recovery is likely to be led by the US and China – the US is estimated to grow 7% in 2021 and China by 8.4%. Governments and Central Banks are expected to maintain supportive policies until the recovery is underway. The strength of the recovery will depend on vaccine roll-out and effectiveness especially on emerging variants.

**Unprecedented policy action:** A year ago, with the world economy uncertain, central banks swiftly provided liquidity and supported credit extension to borrowers. At the same time, fiscal authorities channelled relief to households and firms through transfers, wage subsidies, and liquidity support. These actions supplemented other aspects of the safety net, such as

unemployment insurance, infrastructure funding bill and nutrition assistance. Financial regulators in many countries facilitated continued credit provision with a range of measures. Exchange rate movements reflected these shifts in risk sentiment; most emerging market currencies and those of commodity exporters have appreciated, while the US dollar has depreciated since last April. All these developments helped limit the shock.

**Going forward:** Global prospects remain uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts the sentiments. Economic recoveries are diverging across

countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. The outlook depends not just on the outcome of the battle between the virus and vaccines, it also hinges on how effectively economic policies deployed under these highly uncertain times can limit lasting damage from this unprecedented crisis.

**Estimates for 2021 & 2022:** The IMF projects a stronger recovery in 2021 and 2022 for the global economy, with growth projected at 6% and 4.4% respectively. A degree of uncertainty surrounds these projections, with possible downside and upside risks and much depends on the race between the virus and vaccines.

## Indian economic review

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September

quarter and reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review, leading to remarkable demonstration of resilience and resurgence by the Indian economy.

The result is that India's GDP contracted 7.3% during FY 2020-21, largely on account of the sharp deceleration of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

**Going forward:** The manufacturing sector, after a sharp dip in Q1 of FY 2020-21 owing to the pandemic-induced lockdowns, rebounded in March 2021. The agriculture sector is estimated to see a growth of 3% in FY 2020-21, however, lower than 4.3% in FY 2019-20. In view of the economic momentum in Q4 of 2020-21, most economic experts had predicted a sharp recovery in India's economy. But the sudden outbreak of the second wave of COVID-19 across the Indian landmass, has emerged as a significant challenge to India's economic progress.

**Measures by the RBI:** With the raging Covid pandemic putting severe stress on the economy, the Reserve Bank of India (RBI) unveiled a host of measures to boost fund flow to the healthcare sector and ease the pain of small borrowers and units. The RBI has opened an on-tap liquidity window of ₹50,000 crore with tenors of up to three years at the repo rate of 4% till March 31, 2022 to boost liquidity for ramping up

Covid-related healthcare infrastructure and services in the country.

The RBI granted special refinance facilities for ₹50,000 crore to National Bank for Agriculture and Rural Development, Small Industrial Development Bank of India and to National Housing Bank to address their sectoral credit needs.

**World's view on Indian economy:** Rating agency Standard & Poor's stated that a drawn-out COVID-19 outbreak will impede India's economic recovery. Other institutions of global repute lowered their growth estimates for India in 2021-22.

## Government initiatives to mitigate COVID-19

### Overview

The Government's efforts have been enormous in macroeconomic policy (fiscal stimulus and monetary loosening) to mitigate adversity of the pandemic since the last year. By announcing a ₹1.7 trillion relief package and ₹2.65 lakh crore comprehensive stimulus package, the government has given a much-needed boost to the affected sectors of the economy. The Prime Minister of India also declared a Covid relief package of ₹20 trillion.



**Benefits**

**Ration distribution:** About two-thirds of population will be covered under that Pradhan Mantri Garib Kalyan Anna Yojana (Food scheme). Everyone under this scheme were provided 5 kg of wheat & rice and 1 kg of preferred pulse (based on regional preference) were provided for free to each household under this Food scheme.

**Healthcare:** The Finance Minister announced a medical insurance cover of ₹5 million per healthcare worker. About 2 million health services and ancillary workers benefited from this insurance scheme.

**Social security:** The Employees Provident Fund Organisation (EPFO) announced - employees who contribute

to EPF can withdraw up to 75% of the account balance or 3 months' basic salary and dearness allowance, whichever is lower. In view of the government's decision declaring COVID-19 as a pandemic, the Pension Fund Regulatory and Development Authority (PFRDA) allowed partial withdrawals from the NPS to fulfill financial needs towards treatment of the COVID-19 illness

**MSME relief:** A ₹3 lakh crore collateral free loan with 100% credit guarantee was offered. ₹2000 crore subordinate debt for stressed MSMEs. E-market linkage is to be promoted as a replacement of trade fairs and exhibitions.

**Relief for NBFCs:** A ₹30,000 crore liquidity infusion for NBFCs/HFCs/MFIs

was declared.

**Relief for power utilities:** A ₹90,000 crore liquidity infusion to DISCOMs against receivables guaranteed by the State government for exclusive purposes of discharging liabilities to power generating firms.

**Credit measures:** Extended the Emergency Credit Line Guarantee Scheme (ECLGS) till March 31, 2021, to provide liquidity support to the 26 stressed sectors of the economy, including healthcare, identified by the Kamath Committee by providing collateral free and 100% guaranteed loans. (Source: KPMG)

**Indian economy in terms of numbers**

**Y-o-Y growth of the Indian economy**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Real GDP growth (%)	7	6.1	4.2	(7.3)

**Growth of the Indian economy, FY 2020-21**

	Q1	Q2	Q3	Q4
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

**Global supply chain review**

Over the past few decades, firms optimised their value chains through offshoring and consolidating their manufacturing bases in low-cost economies which led to an increase in innovations and inventions with respect to supply chain to bridge the gap between procurement and manufacturing.

However, during the year under review, as countries continued to be in complete or partial lockdowns to contain the spread of the virus, the associated economic challenges were exacerbated due to the global interconnectedness of supply chains, bringing many economies to a complete halt. With the prolonging of the pandemic, both regional and global value chains stand fractured, and there is a pressing need to reevaluate globally integrated supply chains. This also led to the emergence of locally sourced products to bridge the demand and supply gap for manufacturers resulting in integrated and enhanced supply chain.

In April 2020, Japan announced that it earmarked USD 2.2 billion of its record

economic stimulus package to help the country's manufacturers shift production from China as the COVID-19 pandemic disrupted the supply chain between the two countries.

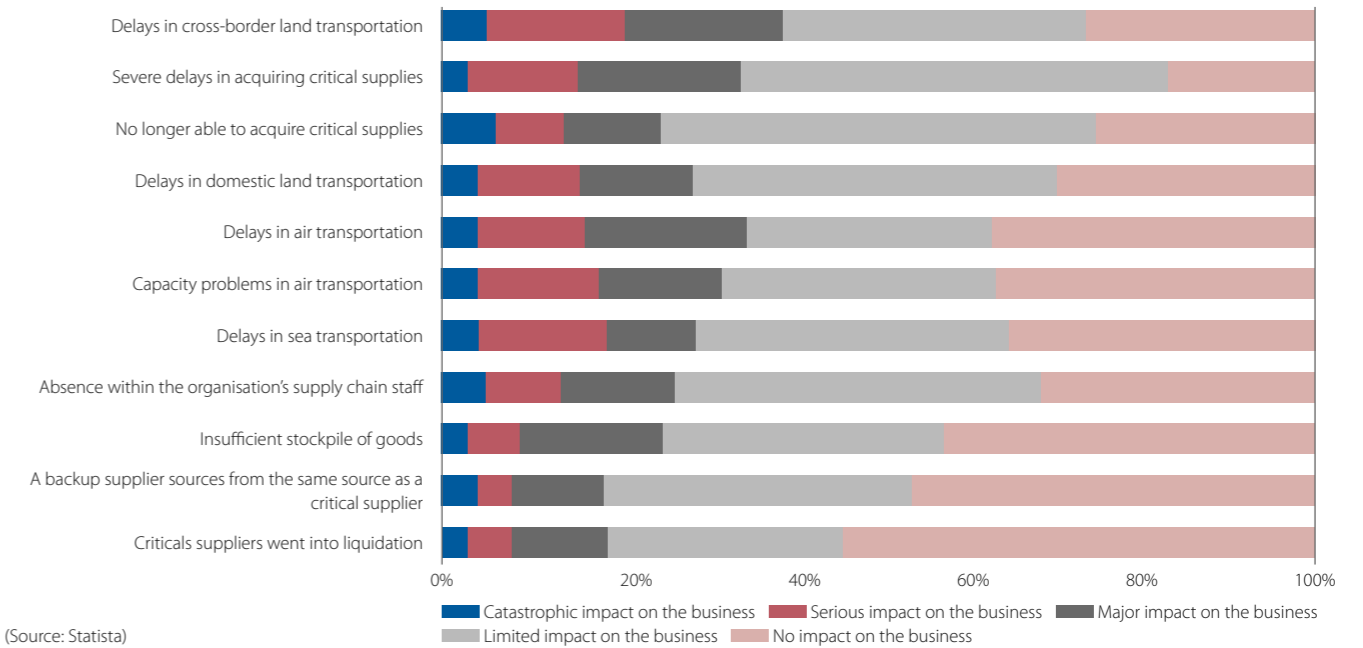
Movement of companies away from China to other less developed countries is expected to start a new wave of industrialisation. Consequently, the expansion of the manufacturing hub linked with global supply chains would not only

increase productivity but also create large-scale employment. Besides, India can be a fertile ground for such investments in these supply chain shifts.

The post-COVID 19 global supply chain management (SCM) market size was estimated at USD 23.2 billion in 2020 and is expected to grow to USD 41.7 billion by 2026, at a Compound Annual Growth Rate (CAGR) of 10.3% between 2020-2026.



**Global supply chain impact due to COVID-19**



(Source: Statista)

**Indian supply chain review**

The pandemic and the lockdown that lasted for a major part of 2020 and spilled over to 2021 proved to be testing times for various businesses including the logistics and supply chain sector of India, which had a remarkable contribution in keeping the supply chain for essential items functional, albeit with a few hurdles in the beginning.

With manufacturers shifting from China to other less developed countries for manufacturing, India has emerged as an attractive hotspot for such investments in these supply chain shifts. Companies are looking for reasonable prices with quality material, large and cost-effective labour force, robust service sector and developed ports, all of which can be made available in India. If the country is able to scale up its labour, logistics and transport infrastructure, it can gain immensely to establish itself in the global manufacturing space, which will not only lead to foreign investment on a huge scale but also provide the much-needed impetus to the economy. The country has faced a number of supply disruptions on the supply side.

- Disruptions due to supply chain breakdowns in countries like China, South Korea, Italy, Spain, France, Germany, the UK and the USA.
- An imminent raw material and component shortage was faced by the manufacturing and other sectors like

auto, pharma, electronics, chemical production, among others. This was caused due to a shutdown or delay in the supply of goods from China.

- This affected the business sentiment, investments and production schedules of companies.
- A slowdown in the import of vital raw materials and manufacturing slowdown (Asia, Europe and US) affected India's exports.

The pandemic also had a severe impact on international trade, which was characterised by trade disruptions with China, having a negative impact on a number of things. Decline in India's exports of seafood (anticipated ₹1300 crore loss), petrochemicals (34% export to China), diamonds (36%), gems and jewellery and others resulted in a price reduction.

With increasing companies looking to diversify their supply chain risks, India enjoys an opportunity to emerge as a preferred destination for global companies. Recognising this opportunity, India laid emphasis on its vision of an 'Aatmanirbhar Bharat', and outlined economy, infrastructure, system, demography and demand as the five pillars driving a self-reliant India.

According to the report released by Arthur D. Little India, released in collaboration with CII, India's supply chain and logistics costs currently account for 14% of the

country's GDP at a massive USD 400 billion, compared to a global average of approximately 8%. However, despite its size and criticality to economic growth, India's supply chain is marred by an unbalanced logistics modal mix, high indirect costs, poor infrastructure, fragmented networks and lack of technology adoption. According to the report, there is a competitiveness gap of USD180 billion in the sector, and this is expected to increase to USD 500 billion by 2030 if the inefficiencies in the supply chain are not addressed.

(Source: EY)

**Opportunities**

The Indian supply chain space is a booming market with immense headroom for growth in the foreseeable future on the back of the improving transportation infrastructure across the country coupled with the incremental adoption of technology and focus on process consistency.

**Affordable road transport:** With the increasing spend of the government on road infrastructure across the country, the country is expected to come up with intermodal and multimodal transport systems, to ensure cost-effective and efficient road transports.

**3PL and 4PL service providers:** With the renewed impetus on Make in India 2.0 and making India a preferred destination for global investments, India today is going

through an unprecedented transformation. 3PL and 4PL service providers are gaining traction owing to the fact that people are increasingly focusing on outsourcing supply chain management to experts to ensure faster transit times and better cost efficiencies.

increasing adoption of emerging technologies in supply chain such as internet of things, artificial intelligence, machine learning and big data, among others, has been making the Indian supply chain sector increasingly efficient, transparent and cost-effective.

**Government impetus:** With the increasing investment by the government on the road, sea and rail infrastructure of the country, the supply chain sector in the country is expected to grow fast. The capital outlay for Ministry of Road Transport and Highways in Union Budget 2021-22 stood at ₹1,08,230 crore.

**Adoption of technology:** With the

**Banking on advantages**

Rangoli creates value for its employees, customers and investors by leveraging a supply chain specialist in the Group leading to the following advantages:



**Leveraging the sectorial opportunities**

Operating in a booming industry, we strive to leverage the various macro tailwinds associated with the supply chain sector. On the back of these opportunities coupled with our strategic interventions, we have fortified our position as one of the fastest growing companies in the sector.

Owing to the various opportunities in the supply chain management sector, we at Rangoli Tradecomm realised the headroom of growth in the Indian supply chain sector. Post this realisation, we have been sharpening our focus on the segment, and ensuring we can make the most of the opportunities associated with the sector, on the back of the following strategic priorities:

**Continuous product expansion**

We believe that expansion in our product portfolio will not only help us accelerate our growth momentum but also help us diversify the business, ensuring long-term

sustenance. Further, a wider and more balanced portfolio will also help us expand our customer base.

**Progressive geographic expansion**

We focus on reducing dependence on any specific geography, and strive to diversify our presence across the country, which would help us expand our footprint across newer geographies by identifying new customers and manufactures.

**Increasing offtake from existing products**

In order to drive revenues and margins, and strengthen our brand recall, we have sharpened our focus on existing product lines. This step also helps us ensure inclusive growth of the Company and our existing vendors.

**Emerging as a one-stop solution provider**

Since our inception, we have been focused on establishing ourselves as a one-stop solution provider, wherein we can cater to customers' requirements of sourcing and

supplying various materials and finished goods across a range of manufacturers.

**Reasonable pricing**

We provide competitive and fair prices to our customers by eliminating middlemen in supply chain, which helps us carve better margins at lesser revenues. Leveraging our competitive pricing, we have focused on creating longstanding relationships with our customers.

As India marches ahead, we are focusing on bringing the best of technology, advances and processes to the logistics space in India. This is also backed by our Q1 results for the FY 2021-22.

From efficiencies to excellence, from consistency to competence and from infrastructure to innovation, we are entering a new era of logistics in India and expect to fuel the enabling of the Indian supply chain.

**Threats**

**COVID- 19 uncertainties**

Travel restrictions, extended lockdowns can lead to trade disruptions which, in turn, will impact business.

**Changing global policies**

Due to the uncertainties arising from the pandemic, the government of major and developing economies are introducing new laws and regulations, which may

impact our business.

**Changing Indian policies/ regulations**

In the 40 days between Prime Minister Narendra Modi announcing a nationwide lockdown starting March 25, 2020 in response to the COVID-19 crisis and the end of its first extension on May 03, the Union and State governments made several changes in laws, rules and regulations that apply to doing business in the country.

These modifications came through formal tools like ordinances, notifications, and guidelines. From banking and financial services to food and education, the Union and state governments drafted several COVID-19-related legal readjustments.

**Competitive markets**

The rise of the Indian textiles, PVC and polymer sector is characterised by rise of a number of players in the industry. This

could act as a major threat for Rangoli's share in the market.

**Rise in raw material prices**

With inflation playing its part, the Company could end up being one of the parties affected due to rising raw material prices in the country.

**Rangoli Tradecomm Limited's supply chain**

The Indian supply chain costs account for 14% of the GDP, compared to a global average of 8%, validating the immediate need and immense opportunity available for growth in the sector in the country.

The Company is focused on procuring products at the right price and time, identifying customers through market research and providing logistical and financial support. The Company helps customers find downstream consumers, helping them create a market place for their finished products.

At Rangoli Tradecomm, we aim to achieve the following:

- Enabling MSMEs and SMEs achieve a focused growth strategy
- Offering simple solutions for complex supply chain
- Helping companies meet emerging demand by providing their requirements and ensuring on-time delivery
- Establishing an end-to-end supply chain across the world

- Sourcing the right products at the right time at the right price

Based on business analysis and demand and supply forecasts, Rangoli procures raw materials in bulk from importers and local suppliers. The procedure in the procurement of raw materials starts with the identification of buyers of these raw material products, providing logistics services to deliver products to customer doorsteps, providing financial assistance and finding buyers of these products delivered to customers – a complete market place.

We ensure timely delivery to the MSMEs and SMEs, helping them grow their business. These parties get the benefit of cutting in on shipping costs and freight costs, inflation, storage costs and ease in availability of components.

Rangoli Tradecomm believes in establishing trustworthy, satisfactory and sustainable relationships with customers in the long-term by providing end-to-end solutions.

**Our process strategy**

**Identify the customers:** The Company follows a systematic method of identifying its customers to which they could cater their products.

**Size of target market:** We measure the size of the market we are in, making sure that our products are in a profitable zone.

**Demand for products:** We identify the demand for our products i.e. polymers, textiles and manganese ores based thorough market analysis.

**Competition:** An important step of our business process is to recognise our competition and come up with competitive prices.

**Delivery to customers:** The Company ensures the timely delivery of its products to the customers, which consists mainly of MSMEs and SMEs.

**Financing arrangements:** The Company helps customers mitigate their liquidity crunch by providing or arranging financing support.

Against the backdrop of the high logistics costs in India, the Company provides supply chain at reasonable prices. In our first full year of operations, we have crossed the ₹1,000 crore top-line benchmark, and have emerged as one of the fastest growing end-to-end supply chain specialists in the country. This is corroborated by a 417 and 299 bps y-o-y growth in our EBITDA and PAT margins in FY 2020-21 - despite the extensive disruptions in both global and domestic trade due the COVID-19 pandemic.

Going ahead, on the back of adoption of latest technology coupled with enduring relationships with our supply chain partners, we strive to eliminate the middlemen, and offer superior price value proposition to our customers. This not only enables us to build a stronger clientele and generate repeat orders, but also ensures better margins.

**Product-wise overview**

**Indian polymer market overview**

The country's production volume of polymers increased from 7.5 million metric tonnes in FY 2012-13 to 12.4 million metric tonnes in FY 2019-20. During the period April 2020 – January 2021 cumulative polymer production in India declined by 3.3% to 7.9 million tonnes. The output which decreased by a sharp 43.5% y-o-y in April 2020 and a slower 6.3% in May 2020 due to COVID-19 induced lockdown started recovering as the production increased in the following months and the fall in output narrowed to the range of 1.3%-4.6%.

The prices of the 4 varieties of PVC - polypropylene, High Density Polyethylene (HDPE) and Linear Low Density

Polyethylene (LLDPE) increased by 6.7% to ₹94 per kg, 11.5% to ₹85 per kg and 9.3% to ₹79 per kg, respectively, in FY 2020-21 on y-o-y basis and the price of PVC increased by 35.3% to ₹142 per kg during the year.

There is a shift towards using sustainable polymers, due to increasing concerns over sustainable environment. The increasing consumption of plastic products because of its several end user applications and the rapid industrialisation is increasing the demand for polymers. One of the significant factors propelling the growth of the market is the expansion in sectors such as health, pharmaceuticals, infrastructure and others.

The key factors driving the growth of the polymers market in India is the financial

We provide competitive and fair prices to our customers by eliminating middlemen in supply chain, which helps us carve better margin at lesser revenues. Leveraging our competitive pricing, we have focused on creating longstanding relationships with our customers.

condition and favourable macroeconomic condition. India's untapped rural market can be instrumental in providing a huge space of growth for the various polymer manufacturing companies in India.

(Source: Statista, goldsteinresearch.com, Care Rating)

### Indian textile yarns and apparel industry overview

The textiles industry in India is the second-largest employment creating sector in the country, providing direct employment to 45 million people and 60 million people in the allied sectors.

The size of Indian textile and apparel industry stood at USD 106 billion in FY 2020-21 compared to USD 75 billion in FY 2019-20, 30% decline y-o-y. The domestic textiles and apparel industry contributed 5% to the country's GDP, 7% to its industry output in terms of value and 12% to the country's export earnings. India's textile and apparel exports in FY 2020-21 declined to USD 29.45 billion as against USD 33.5 billion in FY 2019-20 owing to the onset of the COVID-19 pandemic.

The textiles sector of the country managed to record a considerable growth in the last five years. The industry attracted a total Foreign Direct Investment (FDI) of USD 3.68 billion from April 2000 to

December 2020. Assisted by these reforms and growth measures, the textile market expected to recover and grow at a CAGR of 10% between the time spanning FY 2019-20 to FY 2025-26 in order to reach a market value of USD 190 billion by FY 2025-26.

India is expected to have produced 4,762 million kg of yarn in FY 2020-21, as against 5,713 million kg in FY 2019-20. This production decline can be attributed to the COVID-19 pandemic, which caused a nationwide industrial lockdown, halting production from March 25, 2020 to June 08, 2020 and weakening domestic and global demand. As a consequence, revenues of Indian cotton spinners are expected to decline 25-30% year-on-year in FY 2020-21. The recovery was slow due to sluggish domestic demand. After China, India is the second largest exporter of yarn, with an export value of USD 3.69 billion, accounting for 14% of the global market share. Medical textiles are also known as healthcare textiles. As per a report, the global medical textile market was valued at USD 16,775.52 million in 2018 and expected to reach USD 23,762.66 million by 2025.

(Source: AEPIndia.com, Business Standard, Statista)

### Indian manganese ore sector overview

The production of manganese ore stood at 2,820 thousand tonnes in FY 2018-19, a 8% increase over the previous year. There were 140 reporting mines during FY 2018-19 as against 149 in the previous year. Besides, manganese ore production was reported as associate mineral by 12 mines in FY 2018-19. In FY 2018-19, twenty-four public sector mines jointly accounted for 46% of the total production. The contribution of captive mines was 10% of the total production. As regards gradewise composition of production in FY 2018-19, 68% of the total production was of lower grade (below 35%), 21% of medium grade (35-46%) and 10% was of high grade (above 46%). Production of manganese dioxide was 35,783 tonnes during the year. Madhya Pradesh, the leading manganese ore producing State, accounted for 33% of the total production in FY 2018-19, which is followed by Maharashtra (27%) and Odisha (16%)

The consumption of manganese ore in all industries was about 2.06 million tonnes in FY 2018-19 as against 2.70 million

tonnes in FY 2017-18. Ferroalloys industries accounted for about 89% consumption followed by Iron & Steel (10%). The remaining (1%) was shared by Battery, Electrode, Chemical, Zinc Smelter and Alloy Steel industries. (Source: ibm.gov.in)

### Indian chemical additives (bitumen) sector overview

The Indian chemicals industry is anticipated to reach a market value of USD 300 billion by FY25, with a CAGR growth of 9.2%. The COVID-19 pandemic brought upon an adverse effect on the Indian chemicals industry and disrupted the supply chain and chemicals demand. On the overall, the industry experienced a decline as the economy slowed. With the IIP of chemicals and chemical product manufacture on the verge of returning to the pre-Covid index, the chemicals industry is expected to witness a V-shaped recovery by FY22. This can be possible on account of government initiatives and growth in the consumer base, changes in lifestyle, increase in disposable incomes and focus on healthcare and hygiene.

The Indian bitumen market was valued at USD 2.8 billion in 2018, and projected to reach USD 3.6 billion by 2026, growing at a CAGR of 2.8% from 2019 to 2026. The growth of the Indian bitumen market is driven by a rise in road and building construction activities. Besides, construction of various national highways, expressways and airport runways catalyse the demand for bitumen throughout the country.

Bitumen is processed into asphalt for road construction. In addition, rise in investments by the government for development of national highways and expressways is expected to drive the growth of the market. The consumption of bitumen in India increased by 8.1% in FY 2020-21. The consumption of bitumen in February 2021 was higher by 7% in comparison to the previous month, indicating a continued rise in domestic demand for road paving activity.

The country's bitumen production at the domestic refiners also increased to 575,000 tonnes in February 2021, a rise of 9% from January 2021 and 7% over February 2020.

(Source: Alliedmarketresearch, Argusmedia, IBEF, PWC)

### Products overview

During the year under review, the Company engaged in the supply chain management of polymers, non-ferrous metals, medical textiles and textile yarns. The Company provides comprehensive solutions, supplying customers with raw materials, fabrics, yarns and polymers for onward use in manufacturing operations. This timely service helps customers liberate their precious managerial bandwidth for other business-strengthening functions.

	Industries associated	End use
<b>Polymers</b> PVC, HDPE, LDPE, LLDPE, PP, Mettallocene	Agriculture, Automobile, Real estate, Packaging.	Irrigation pipes, packaging, shoes, construction
Textiles (Medical textile and yarns)	Medical, Apparels etc	Health care, fashion, pharmaceuticals
Manganese ores	Iron, steel, agriculture, aluminium alloys	Construction, transportation, manufacturing

The Company is venturing into chemical additives like bitumen and agro commodities.

### Company countering the pandemic

The Company, though, incorporated in 2009, the current Management took the reins of the Company only in the last quarter of 2018. This is the first year of active company's operations, the Company has marked a remarkable growth in terms of its size and numbers both. Despite the disruptions propagated by the pandemic,

the Company emerged as one of the fastest growing supply chain companies in India. Our unwavering pursuit of excellence has built consistency in our performance and has been underpinning our holistic growth story.

At Rangoli, we stood strong in the face of the pandemic. On the back of a focus on business sustenance and our ability to sustain operations, we registered a

top-line of ₹1,187.27 crore in FY 2020-21 compared to ₹165.44 crore in FY 2019-20, a more than 6x y-o-y growth. We recorded an exceptional improvement in surplus, with EBITDA of ₹71.45 crore in FY 2020-21 compared to ₹3.06 crore in FY 2019-20, a growth of more than 22x y-o-y. During the year, PAT grew 23x to ₹50.72 crore in FY 2020-21.

### Financial performance vis-a-vis operational performance

#### Financial review

**Revenues:** Revenue from operations during the year stood at ₹1186.88 crore, as

compared to ₹162.45 crore in FY 2019-20.

**Interest and finance costs:** Net interest and finance costs increased by 57 % during the year.

**Profit after tax:** The Company registered a

profit after tax of ₹50.72 crore compared to ₹2.11 crore in the previous year.

**EPS:** The EPS of the Company is ₹136.65 per share as compared to ₹28.8 per share in previous year.

### Operational review

#### Key ratios

Particulars	FY 2020-21	FY 2019-20	Change %	Reason
Debt-equity ratio	0.37	3.59	(89.78)	Infusion of funds by promoters and proceeds from IPO and increase in short-term borrowings.
Inventory turnover (days)	80.48	27.19	196.04	Increase in sales with holding the goods for a short period of time.
Debtor turnover (days)	238.06	68.07	249.74	Till Q3 debtor creditor tenor was 45-60 days. The debtor turnover increased due to the expansion of diversified business activities in the last quarter.
Interest coverage ratio	125.25	0	125.25	In FY 2019-20 we were a debt-free company. In FY 2020-21, when the Company diversified, it raised debt to maintain working capital cycle. In FY 2020-21 the Company's interest coverage ratio was 125.25%. It depicts the Company having sufficient funds to service debt and interest.
Current ratio	1.13	1.15	(1.88)	Change due to an increase in short-term borrowings.
Operating profit margin (%)	6.01	1.82	225.07	Due to an increase in total operating revenue of the Company during the year under the review.
Net profit margin (%)	4.27	1.85	130.95	Due to increase in total revenue of the Company during the year under the review.

The Indian bitumen market was valued at USD 2.8 billion in 2018, and projected to reach USD 3.6 billion by 2026, growing at a CAGR of 2.8% from 2019 to 2026. The growth of the Indian bitumen market is driven by a rise in road and building construction activities.



### Risk management at Rangoli

At Rangoli, the effectiveness of our risk management practice is derived from the knowledge and hands-on engagement of our management team. The Company recognises that risk is an integral and unavoidable component of business and is committed to manage the risk in a proactive and effective manner.

#### Guiding principles

At Rangoli, we base our risk management on four guiding principles, which we strive to apply consistently across all our risk categories:

#### Risk management organisation, roles and responsibilities

The navigation of our corporate policy (and in effect our ability to manage organisational risk) cascades from our Board of Directors. Our Board comprises

professionals with rich industry experience. Their hands-on understanding of the prevailing economic and corporate realities governs on-going appraisal and recalibration of corporate strategy whenever necessary.

Our risk governance fosters the development and maintenance of an effective risk and control culture.

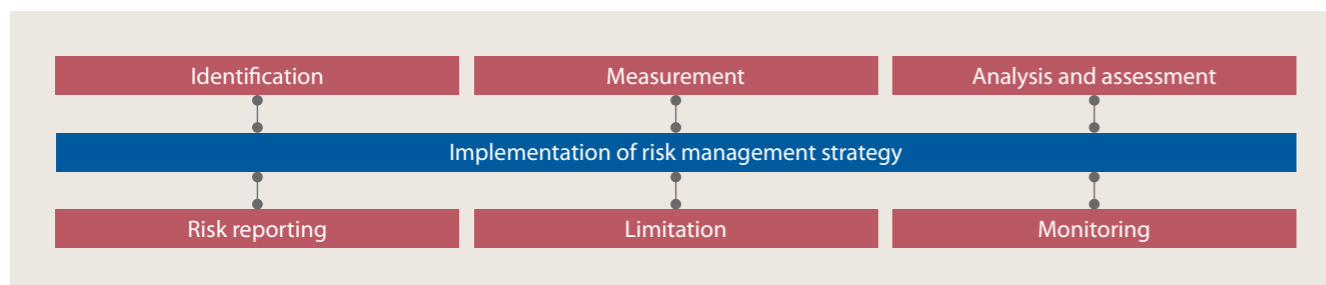
#### Strategic implementation and the risk management cycle

At Rangoli, there is always a rationale behind what we describe as acceptable (and unacceptable) risk. The risk appetite, defined by our Board of Directors, is reflected in our business plans and integrated into our operations. This appetite rests on a fine balance of risks and settlements, which ensures profit without affecting our latent viability.

Our risk acceptance is an expression of the extent to which our Board of Directors has authorised our management to assume risk within the constraints imposed by its capital resources, strategy, risk appetite and regulatory environment

Our risk acceptance and risk appetite – the amount of risk we seek to take – are enunciated and translated into a consistent limit framework across all risk categories.

The effective implementation of our risk management at the operational level embraces risk identification, measurement, analysis and assessment; our risk reporting, limitation (reduction to a level we have defined as appropriate) and monitoring makes it possible for us to closely follow all significant risks.



### Risk mitigation workflow

**Risk identification:** At Rangoli, we identify risks through appropriate systems and indicators (quantitative component). Besides, our inbuilt reporting protocol makes it possible for our executives to report risks as and when they perceive.

**Risk measurement:** We continuously strengthen our risk measurement tools pertaining to each business function. We

compare the results produced by our risk model with those recommended by supervisory authorities, prevailing industry standards.

**Analysis and assessment:** At Rangoli, it is important that our competence in the area of risk management translates into a superior financial performance. In view of this, our financial performance serves to validate the effectiveness of our risk

management and operating model in an unambiguous way.

**Risk reporting:** At Rangoli, we periodically report the effectiveness of our risk management to our senior management covering categorise wise risk and the overall risks. We recognise that this can potentially generate early alerts that make it possible to engage proactively in initiatives to counter the risks.

### Risk mitigation workflow

<b>Economy risk</b>	The Company's performance could be adversely affected in the event of economic slowdown.	<b>Mitigation:</b> India's economy de-grew 7.3% in FY 2020-21, but the Company reported a 617% revenue increase and 1557.52% PAT increase, signifying the robustness of its business model.
<b>Finance risk</b>	Inability to fund the expansion of the business in a cost-effective manner could affect growth.	<b>Mitigation:</b> During the year under review, the Company optimised its debt-equity ratio from 3.59 in FY 2019-20 to 0.37 in FY 2020-21.
<b>Competition risk</b>	Growing competition could affect profitability.	<b>Mitigation:</b> The Company offered a business-strengthening proposition to its customers, which could be measured in terms of bps contributed to the overall EBITDA margin, validating the reasons for sustained engagement. In view of this, the Company strengthened its recall around 'A partner that is good for our business'.
<b>Foreign exchange fluctuation risk</b>	Currency volatility could impact profitability.	<b>Mitigation:</b> The Company manages currency risks by monitoring exposures leading to initiatives to neutralise the risk impact by competent forex exposure hedging.
<b>Human resource risk</b>	There is an ongoing requirement of competent professionals to drive organisational growth.	<b>Mitigation:</b> The Company possesses talented representatives to market products and engage with prospective customers.

### Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and the Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring

and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

#### Human resource

Human resources are a valuable asset and the Company seek to attract and retain the best talent available. Systematic training, development, continuance of productivity and employee satisfaction are some of the highlights of human resource development activities during the year. Employee relations continued to be cordial. The Company strives to

develop the most superior workforce so that it can accomplish along with the individual employees, their work goals & services to its customers & stakeholder. Our fundamental belief in immense power of the human potential and team work. A transformational force that stimulates enterprise accelerates our constant pursuit of excellence and empowers our people to release their full potential. The Company also believes human resources as the supporting pillars for the organisation's success. Your director acknowledges and thanks employees for their continued contribution.

# Board of Directors



**Mr. Ushik Gala**  
Promoter and Chairman & Managing Director

B.Com, Chartered Accountant. Experience of more than a half decade in textile industry and looks after finance, expansion, business development, marketing and brand building activities.



**Mr. Sumit Pal Singh**  
Promoter and Non-Executive Director

Graduate Diploma in Business Administration. Professional with over 10 years of experience in technical environments and worked with mid-size corporates. He oversees business development for the Company.



**Mr. Sejal Doshi**  
Non-Executive Director

B.Com, Chartered Accountant. Has around twenty years of experience in finance, taxation and equity markets.



**Ms. Ishita Gala**  
Non-Executive Director

B.Com, Semi Actuary. Has wide exposure and experience in the field of textiles and apparels and an expert in business administration and human resource management.



**Mr. Sharad Jain**  
Non-Executive Director

B.Com, MBA (Middlesex Business School, London). Has around 20 years of experience in working in various sectors across the globe and dealing with various aspects of equity investment.



**Mr. Satish Khimawat**  
Independent Director

B.Com. Has over eighteen years of sharp business experience in different sectors and industries.



**Mr. Ankit Gala**  
Independent Director (resigned w.e.f. June 21, 2021)

B.Com, Chartered Accountant and semi-qualified CFA. Has a vast experience in the areas of accountancy, taxation and financial management.



**Ms. Sushmita Agarwal**  
Independent Director

B.Com, Chartered Accountant. Has more than 5 years of experience in field of finance and taxation.



**Ms. Shruti Chaudhary**  
Independent Director (appointed w.e.f. August 13, 2021)

B.Com, Chartered Accountant. Has over 17 years of experience in Corporate Banking. Project Finance, Investment Banking, Private Equity, Syndication & Fund Raising.



**Ms. Dhvani Dattani**  
Chief Financial Officer (resigned w.e.f. May 31, 2021)

B.Com, Chartered Accountant and semi-qualified CFA. Has over four years of experience of working with reputed organisations across functions like valuation of equity shares, Fund-raising and Investment Banking transactions, across various sectors. manufacturing, textiles, NBFC, entertainment, supply chain finance, etc.



**Mr. Bharat Gangani**  
Company Secretary & Compliance Officer

B.Com, Company Secretary. Has an experience of around 4 years in handling secretarial and compliance functions.



**Ms. Radhika Gosrani**  
Chief Financial Officer (w.e.f. June 01, 2021)

B.Com., Chartered Accountant. Has a vast experience in the field of Audit, taxation and finance in FMCG, Retail, Logistics, Real Estate, Pharma, Textile chemicals and service sectors.

# NOTICE

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting (AGM) of the Members of **RANGOLI TRADECOMM LIMITED** (Formerly known as Rangoli Tradecomm Private Limited) ('the Company') will be held on **Tuesday, September 28, 2021 AT 11.00 A.M** through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), to transact the following business:

## ORDINARY BUSINESS:

- To consider and adopt the financial statements of the Company for the financial year ended March 31, 2021, together with Auditors' Report thereon and report of Board of Directors.
- To declare final dividend @ of 40% of equity share i.e. ₹4/- (Rupees Four Only) per equity share of ₹10/- (Rupees Ten Only) each for the financial year ended March 31, 2021.
- To appoint Ms. Ishita Gala (DIN: 07165038), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

### 4. Appointment of Ms. Sushmita Agarwal (DIN: 09044546) as a Non- Executive Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee, Ms. Sushmita Agarwal (DIN: 09044546), who was appointed as an Additional Director on January 27, 2021, by the Board of Directors of the Company,

be and is hereby appointed as Non- Executive Independent Director of the Company, not liable to retire by rotation, for first consecutive term of 5 (five) years commencing from January 27, 2021 up to January 26, 2026."

**FURTHER RESOLVED THAT** the Board be and is hereby authorized, to delegate the powers to Directors and Key Managerial Personnel and do all acts, deeds, matters and things as deem necessary, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### 5. Appointment of Ms. Shruti Chaudhary (DIN: 02880771) as a Non-Executive Independent Director of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee, Ms. Shruti Chaudhary (DIN: 02880771), who was appointed as an Additional Director on August 13, 2021, by the Board of Directors of the Company, be and is hereby appointed as Non- Executive Independent Director of the Company, not liable to retire by rotation, for first consecutive term of 5 (five) years commencing from August 13, 2021 up to August 12, 2026."

**FURTHER RESOLVED THAT** the Board be and is hereby authorized, to delegate the powers to Directors and Key Managerial Personnel and do all acts, deeds, matters and things as deem necessary, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors  
For Rangoli Tradecomm Limited

Ushik Mahesh Gala  
Chairman & Managing Director  
DIN: 06995765

Date: August 13, 2021  
Place: Mumbai

## Registered Office:

19B, B. B. Ganguly Street, 2nd Floor, Kolkata WB 700012 IN.  
CIN: U51909WB2009PLC137310

## NOTES:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 02/2021 dated January 13, 2021 ("MCA Circulars") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (SEBI Circular), has permitted holding of AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") without any physical presence of Members at the AGM venue. In compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circular, the 12<sup>th</sup> AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

- An Explanatory Statement pursuant to Section 102(1) of the Act, in respect of Special Business as set out in Items Nos. 4 and 5 above and the relevant details of the Directors seeking appointment/re-appointment above as required by Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India are annexed hereto.

- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of the AGM venue are not annexed to this notice.

In compliance with the MCA Circulars and SEBI Circular, the Notice of the AGM inter alia indicating the process and manner of electronic voting along with the Annual Report of the Company for the financial year ended March 31, 2021 is being sent to the Members only through electronic mode whose e-mail addresses are registered with the Company/ Depositories. Members who have not registered their e-mail addresses are requested to register their e-mail addresses so as to obtain the Annual Report of the Company.

Members may note that the Notice and Annual Report of the Company for financial year 2020-2021 will also be available on the Company's website [www.key2elements.com](http://www.key2elements.com), the website of the Stock Exchanges, i.e. BSE Limited <https://www.bseindia.com/> and the website of Central Depository Securities Limited ("CDSL") at [www.evotingindia.com](http://www.evotingindia.com).

- The attendance of Members attending the Meeting through VC/OAVM will be counted for the purpose of reckoning the Quorum under Section 103 of the Act.

- Institutional Members (i.e. other than Individuals, HUF and NRI, etc.) are encouraged to attend the AGM through VC/OAVM mode and vote electronically. Pursuant to the Section 113 of the Act, Institutional and Corporate Members are requested to submit a Certified True Copy (PDF/JPEG) of the Board Resolution/ Authorisation Letter authorising their representatives to attend the meeting at [cs@key2elements.com](mailto:cs@key2elements.com).

- Relevant documents referred to in the Notice and the Explanatory Statement shall be available for inspection through electronic mode. Members are requested to write to the Company on [cs@key2elements.com](mailto:cs@key2elements.com) by mentioning their DP ID & Client ID for inspection of said documents.

- Members may please note that pursuant to Regulation 12 of the Listing Regulations, all listed entities shall use any electronic mode of payment facility approved by Reserve Bank of India for making payment(s) to the Members of dividend(s), interest(s), redemption(s) or repayment(s). In view of this direction, members are requested to update their bank account details with their respective Depository Participants to enable the Company to make the said payment(s) in electronic form.

Members are further requested to note that non- availability of correct bank account details such as MICR ("Magnetic Ink Character Recognition"), IFSC ("Indian Financial System Code"), etc., which are required for making electronic payment will lead to rejection/failure of electronic payment instructions by the bank in which case, the Company or RTA will use physical payment instruments for making payment(s) to the Members with available bank account details of the Members.

SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in demat form are therefore requested to submit their PAN to their DP's with whom they are maintaining their demat accounts.

### 8. Unpaid/Unclaimed dividend and shares

Members are hereby informed that as per the provisions of Section 124 of the Act, dividend which remains unpaid/unclaimed over a period of seven (7) consecutive years would be transferred by the Company to "The Investor Education and Protection Fund" ("IEPF") established by the Central Government under Section 125 of the Act. Till date, the Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to IEPF as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

- Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates in the Income Tax Act, 1961 (the "IT Act"). In general, to enable compliance with TDS requirements, members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their DP's or with the Company by sending documents through e-mail on [cs@key2elements.com](mailto:cs@key2elements.com).

- Any information in regards to the Accounts and Operations of the Company may be sent to the Company Secretary at [cs@key2elements.com](mailto:cs@key2elements.com) at least seven (7) days in advance of the date of AGM. The same will be replied by the Company suitably.
- Under Section 72 of the Act, members are requested to make nomination in respect of shares held by them in single name and physical form. Members desirous of making nomination are requested to send their request in Form SH-13 to the Company's RTA. Members may obtain and submit the nomination form to their respective DP's.
- The entire Shareholding of the Company is in dematerialized Form. Bifurcation of holding of Shareholders in Depositories as on March 31, 2021 has been formed part of this Report.

### VOTING THROUGH ELECTRONIC MEANS AND ATTENDING THE AGM THROUGH OAVM/VC

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

### THE INTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- The voting period begins on September 25, 2021 at 9.00 a.m. and ends on September 27, 2021 at 5.00 p.m. During this period members' of the Company, as on the cut-off date September 22, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in DEMAT mode are allowed to vote through their DEMAT account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdEasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdEasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on "Shareholders" module.
  - Now enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (x) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xiv) Facility for Non – Individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer or to the Company at the email address viz; cs@key2elements.com or rinkeshgala94@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING THE MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least three

days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@key2elements.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@key2elements.com. These queries will be replied to by the company suitably by email.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
2. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and

022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**GENERAL INFORMATION:**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available to reset the password.
2. The Company has appointed M/s. Rinkesh Gala and Associates, Practicing Company Secretary (ACS 42486 and CP No. 20128), to act as the Scrutiniser, to scrutinise the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
3. The Scrutiniser will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e- voting) not later than 48 hours from the conclusion of AGM.

The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutiniser's Report, shall also be placed on the website of the Company at www.key2elements.com.

4. Subject to the receipt of requisite number of votes, the resolutions as set out in the notice shall be deemed to be passed on the date of AGM i.e. September 28, 2021.
5. All the documents referred to in the accompanying Notice and Explanatory Statement, shall be available for inspection through electronic mode, basis the request being sent on www.key2elements.com.

By order of the Board of Directors  
For Rangoli Tradecomm Limited

Ushik Mahesh Gala  
Chairman & Managing Director  
DIN: 06995765

Date: August 13, 2021  
Place: Mumbai

**Registered Office:**  
19B, B. B. Ganguly Street, 2nd Floor, Kolkata WB 700012 IN.  
CIN: U51909WB2009PLC137310



## Explanatory Statement under Section 102 of the Companies Act, 2013:

### Item No 4:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Ms. Sushmita Agarwal (DIN: 09044546) as an Additional Director (Independent) w.e.f. January 27, 2021, pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 ('Act') read with the rules and Schedules thereunder to hold office till the date of ensuing Annual General Meeting ("AGM"). Appropriate notice pursuant to Section 160(1) of the Act has been received from a member proposing the appointment of Ms. Sushmita Agarwal as a Non- Executive Independent Director of the Company and requisite consent has been received from her pursuant to the provisions of Section 152 of the Act along with confirmation that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has also received declaration from Ms. Sushmita Agarwal that she meets the criteria of Independence as prescribed both under Section 149(6) of the Act and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. In the opinion of the Board, she fulfils the conditions specified under the Act & SEBI Regulations and is independent of the management of the Company.

Ms. Sushmita Agarwal is a qualified Chartered Accountant and has over 5 years of experience in the field of finance and taxation. Details of Ms. Sushmita Agarwal are attached as **Annexure-B** pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standards on the General Meeting issued by the Institute of Company Secretaries of India. The Board further considers that Ms. Sushmita Agarwal's association would be of immense benefit to the Company.

Ms. Sushmita Agarwal shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and committee meetings.

A copy of the letter of appointment of Ms. Sushmita Agarwal setting out the terms of conditions of appointment is available for inspection without any fees by the members at the Registered and Corporate Office of the Company, till the date of AGM.

In accordance with the provisions of section 149 read with Schedule IV to the Act, appointment of independent directors requires approval of the members and accordingly the Board of Directors of your Company recommends the passing of resolution as set out at Item No.4 as an Ordinary Resolution.

Except Ms. Sushmita Agarwal none of the other Directors, Key Managerial Personnel(s), and their relatives, are in any way, concerned or interested, financially or otherwise in the said resolution.

### Item No 5:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Ms. Shruti Chaudhary (DIN: 02880771) as an Additional Director (Independent) w.e.f. August 13, 2021, pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 ('Act') read with the rules and Schedules thereunder to hold office till the date of ensuing Annual General Meeting ("AGM").

Appropriate notice pursuant to Section 160(1) of the Act has been received from a member proposing the appointment of Ms. Shruti Chaudhary as a Non- Executive Independent Director of the Company and requisite consent has been received from her pursuant to the provisions of Section 152 of the Act along with confirmation that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has also received declaration from Ms. Shruti Chaudhary that she meets the criteria of Independence as prescribed both under Section 149(6) of the Act and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. In the opinion of the Board, she fulfils the conditions specified under the Act & SEBI Regulations and is independent of the management of the Company.

Ms. Shruti Chaudhary is a qualified Chartered Accountant and has over 17 years of experience in the field of finance and taxation, Details of Ms. Shruti Chaudhary are attached as **Annexure-B** pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standards on the General Meeting issued by the Institute of Company Secretaries of India.

Ms. Shruti Chaudhary shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and committee meetings.

A copy of the letter of appointment of Ms. Shruti Chaudhary setting out the terms of conditions of appointment is available for inspection without any fees by the members at the Registered and Corporate Office of the Company, till the date of AGM.

In accordance with the provisions of section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members.

The Board further considers that Ms. Shruti Chaudhary's association would be of immense benefit to the Company and accordingly the Board of Directors of your Company recommends the passing of resolution as set out at Item No.5 as an Ordinary Resolution.

Except Ms. Shruti Chaudhary none of the other Directors, Key Managerial Personnel(s), and their relatives, are in any way, concerned or interested, financially or otherwise in the said resolution.

By order of the Board of Directors  
For Rangoli Tradecomm Limited

Ushik Mahesh Gala  
Chairman & Managing Director  
DIN: 06995765

Date: August 13, 2021

Place: Mumbai

### Registered Office:

19B, B. B. Ganguly Street, 2nd Floor, Kolkata WB 700012 IN.  
CIN: U51909WB2009PLC137310

## ANNEXURE-A

### Details of the Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting [In pursuance of Regulation 36(3) of the Listing Regulations]

Sr. No.	Name of the Directors	Ms. Ishita Gala
1.	Director Identification Number	07165038
2.	Date of Birth/Age	April 13, 1994; Age: 27 years
3.	Nationality	Indian
4.	Date of Appointment on the Board	January 30, 2018
5.	Qualifications	B.Com; Semi- Actuary
6.	Experience and Expertise in specific functional area	She has a wide exposure and experience in the field of textiles and apparels. She also is an expert in business administration and human resource management.
7.	Terms and Conditions of appointment	Appointed as Non- Executive Director w.e.f. June 30, 2018 of the Company liable to retire by rotation at the ensuing Annual General Meeting.
8.	Details of remuneration and remuneration last drawn	Nil
9.	No. of Equity Shares held in the Company as on March 31, 2021	6,89,336 equity shares of ₹10/- each
10.	No of Board Meetings attended during the year	23
11.	Directorship held in other companies (excluding foreign companies and Section 8 companies)	Ganadhip Wholeseller Private Limited Hence Agro Development Limited Suumaya Fabrics Limited (ceased w.e.f. June 14, 2021) Suumaya Agro Limited Suumaya Protective Texcorp Limited Suumaya Retail Limited Suumaya Industries Limited (ceased w.e.f. January 02, 2021)
12.	Chairmanships/ Memberships of committees of the other companies	Nil
13.	Relationships, if any between Directors inter-se	Sister of Mr. Ushik Gala, Chairman & Managing Director.

## ANNEXURE-B

## Details of the Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting [In pursuance of Regulation 36(3) of the Listing Regulations]

Sr. No.	Name of the Directors	Ms. Sushmita Agarwal	Ms. Shruti Chaudhary
1.	Director Identification Number	09044546	02880771
2.	Date of Birth/Age	August 22, 1994; Age: 27 years	October 26, 1979; 42 years
3.	Nationality	Indian	Indian
4.	Date of Appointment on the Board	January 27, 2021	August 13, 2021
5.	Qualifications	B.Com and Chartered Accountant	B.Com and Chartered Accountant
6.	Experience and Expertise in specific functional area	She has five years of experience in field of finance and taxation. She has also worked with some fortune 500 companies where she was involved in fundraising, financial modelling, Investor relations, business planning and implementation of strategic projects.	She has 17 years of experience in Corporate Banking Project Finance, Investment Banking, Private Equity, Syndication & Fund Raising. She has also worked with leading Private Banks, a Foreign Bank & Investment Banking Firms. She is a seasoned & versatile Banking Professional with cross functional experience having lead & closed a variety of deals across industries, including some large & marquee transactions.
7.	Terms and Conditions of appointment	Appointment for first consecutive term of 5 years and not liable to retire by rotation.	Appointment for first consecutive term of 5 years and not liable to retire by rotation.
8.	Details of remuneration and remuneration last drawn	Sitting fee: ₹35,000/- for each Board Meeting attended and ₹7,500/- for each Committee Meeting attended. Last remuneration drawn: Nil	Sitting Fee: ₹35,000/- for each Board Meeting attended and ₹7,500/- for each Committee Meeting attended. Last remuneration drawn: NA,
9.	No. of Equity Shares held in the Company as on March 31, 2021	Nil	Nil
10.	No of Board Meetings attended during the year	1 of 2 board meetings held post her appointment	NA
11.	Directorship held in other companies (excluding foreign companies and Section 8 companies)	Nil	1. Span Erectors Private Limited 2. Suumaya Industries Limited
12.	Chairmanships/ Memberships of committees of the other companies	NA	Nil
13.	Relationships, if any between Directors inter-se	She is not related to any other Director or KMP of the Company	She is not related to any other Director or KMP of the Company

## Board's Report

To,

The Members,

**Rangoli Tradecomm Limited****(Formerly known as Rangoli Tradecomm Limited)**

Your directors have pleasure in presenting the Twelfth (12<sup>th</sup>) Annual Report of your Company since its incorporation and first after the listing of shares of the Company on SME Platform of BSE Limited, on the business and operations of the Company along with the Audited Financial Statements for the year ended March 31, 2021.

**FINANCIAL SUMMARY:**

Company's financial result for the year ended March 31, 2021 is summarized below:

(₹ in crores)

Description	FY 2020-21	FY 2019-20
Revenue from operations	1186.88	162.45
Other Income	0.39	2.98
<b>Total Revenue</b>	<b>1187.27</b>	<b>165.43</b>
Less: Purchases of stock in trade	1342.39	173.83
Less: Changes in Inventory	(232.65)	(12.05)
Less: Employee Benefit Expenses	1.32	0.30
<b>EBIDTA</b>	<b>71.45</b>	<b>3.06</b>
Less: Finance Costs	0.57	0.00
Less: Depreciation Expenses	0.06	0.00
Less: Other Expenses	4.76	0.29
<b>Total Expenses</b>	<b>1116.45</b>	<b>162.37</b>
Profit before Extraordinary Items and tax	<b>70.82</b>	<b>3.06</b>
Less: Current Tax	20.09	0.95
Deferred Tax	0.01	0.00
<b>Profit after tax</b>	<b>50.72</b>	<b>2.11</b>

**REVIEW OF BUSINESS OPERATIONS**

The Company is engaged in the business of supply chain of Polymers, Textile products, Non-ferrous Metals and Chemical Additives, whereby Polymer includes commodity polymers and Textiles includes yarns, threads and fabrics.

During the year under review, the total revenue of your Company was ₹1187.27 crores showing an exceptional increase of approximately 7 folds since last year. The EBIDTA rose from ₹3.06 crores to ₹71.45 crores and the Net profit after tax soared to ₹50.72 crores from 2.11 crores for the year ended March 31, 2021, despite the extensive disruptions in both global and domestic trade due to the COVID-19 pandemic.

**State of Affairs of Company's Business**

The Company executes supply chain by providing raw materials to the SME and MSME sector in a timely and cost effective manner.

During the year under review, your Company has executed trading of Textile products which includes yarn, threads, fabrics and medical textiles, Polymers which includes commodity polymers like PVC,

HDPE, LDPE, LLDPE PP etc, non-ferrous metals like manganese ore and chemical additives like bitumen.

The Company's strong supply chain, robust network, deep integration and flexibility helped it achieve the position where it stands today.

**COVID – 19 IMPACT**

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy degrew 23.9 per cent in the first quarter of FY 2020-21, the sharpest degrowth experienced by the country since the index was prepared.

The Company chose to make the best of the situation, thus channelized the opportunity provided to accelerate its transformational journey that it had embarked upon. Where major organizations were adversely affected, the Company under the guided leadership of its directors, management and determination

of employees, performed exceptionally backed by financial output.

With the support of Company's personnel, with utmost health care and safety, the Company continued to fight this pandemic with zero lay-offs and new recruits and contributed on a humanitarian front.

We have grown multiple times in terms of size, scale and strength with respect to customers, employees and other stakeholders, contributing positively to the nation at large, with the agility to adapt with changing times by capitalizing the opportunities that came by.

#### TRANSFER TO RESERVES:

₹50.72 crores are transferred to Reserves and Surplus Account of the Company.

#### DIVIDEND:

During the year under review the Board of Directors had recommended and approved Interim dividend @ of 10% of face value of ₹10/- (i.e. ₹1/- per equity share) amounting to ₹7,33,000/- as interim dividend at its meeting dated January 04, 2021 which was subjected to tax deduction at source.

Further the Board of Directors of your Company at its meeting held on May 31, 2021 recommended the final dividend @ of 40% per share of ₹10/- (i.e. ₹4/- per equity share) which is subject to the approval of members at the ensuing Annual General Meeting. The distribution of dividend, if approved, shall be subject to tax deduction at source.

The dividend recommended is in accordance with Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is annexed herewith and marked as "Annexure-1" to this Report and the same is available on the Company's website and can be accessed at: www.key2elements.com

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Management Discussion and Analysis forms part of this Annual Report.

#### CORPORATE GOVERNANCE REPORT

Since the Company is listed on SME Platform of BSE Limited during the year under review, the provisions of Corporate Governance as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulation, 2015 are not applicable to your Company.

#### INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Your Company has adequate financial control procedure commensurate with its size and nature of business. These controls include well defined policies, guidelines, standard operating procedure, authorization and approval procedures. The internal financial controls of your company are adequate to ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and

detection of frauds and errors, safeguarding of the assets, and that the business is conducted in an orderly and efficient manner.

#### DEPOSITS:

In terms of the provision of Sections 73 and 74 of the Companies Act, 2013 ("the Act", "the said Act") read with the relevant rules, your Company has not accepted any fixed deposits during the year under review.

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013:

All contracts/arrangements/transactions entered by your Company during the financial year with related party were on arm's length basis and in the ordinary course of the business. There were no material significant related party transactions made by the Company with Directors or other designated persons which may have potential conflict with interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is furnished in "Annexure- 2" to this Report.

#### PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENT(S) MADE UNDER SECTION 186 OF THE ACT:

During the year under review, your Company did not have any financial transactions falling under provisions of section 186 of the Act.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosure of information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to conservation of energy and technology absorption is not applicable to your company, being a trading Company.

Foreign Exchange Earnings and Outgo: (if any)

Particulars	FY 2020-21	FY 2019-20
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo	1.09 crores	Nil

#### MATERIAL CHANGES AND COMMITMENTS

##### a.) Change in status of the Company

During the year under review, your Company was converted into a Public Limited Company pursuant to special resolution passed by the members at the Extraordinary General Meeting held on September 24, 2020 and consequent upon conversion, the name of your company was changed to Rangoli Tradecomm Limited vide fresh certificate of incorporation dated November 09, 2020 bearing Corporate Identification

Number (CIN) U51909WB2009PLC137310 issued by Registrar of Companies, Kolkata.

Subsequently, the equity share capital of the Company comprising of 82,41,008 equity shares of ₹10/- each was listed on SME Platform of BSE Limited vide listing approval dated March 19, 2021 and consequently status of your Company changed from Unlisted Public Company to Listed Public Company.

##### b.) Alteration in the Memorandum and Articles of Association of the Company:

During the year under review, pursuant to the members' approval at the extraordinary general meeting held on

September 24, 2020, the Company altered the following clauses of its Memorandum of Association (MoA) and adopted a new set of Articles of Association (AoA) in lines with Table F of the Act.

- Name clause by deleting the word 'Private';
- Object clause to align the same with Table A of the Act; and
- Capital clause due to increase in the authorised share capital.

#### STOCK EXCHANGE

The Company's shares are listed on the SME Platform of BSE Limited (BSE) situated at Phiroze Jeejobhoy Towers, Dalal Street, Mumbai-400001 with the symbol RTL

#### CHANGES IN SHARE CAPITAL

During the year under review, the changes in the share capital of the Company are as under:

##### Authorised share capital

Members Resolution	Board Resolution	Particulars	No of Shares	Paid up Capital (₹)
September 24, 2020	September 01, 2020	Increase in Authorised Share Capital from ₹74,00,000/- divided into 7,40,000 equity shares of ₹10/- each to ₹12,00,00,000 /- divided into 1,20,00,000 equity shares of ₹10/- each	1,20,00,000	12,00,00,000

##### Increase in Paid-up Equity Share Capital

December 15, 2020	January 05, 2021- January 15	Allotment of 7,82,002 equity shares of ₹10/- each on preferential basis @ ₹325/- per share including premium of ₹315/- per share. Paid up capital increased from ₹73,30,000/- divided into 7,33,000 equity shares of ₹10/- each to ₹1,51,50,020/- divided into 15,15,002 equity shares of ₹10/- each.	7,82,002	78,20,020
January 19, 2021	January 19, 2021	Allotment of Bonus shares (3 Equity shares for every 1 equity share held)  Paid up capital increased from ₹1,51,50,020/- divided into 15,15,002 equity shares of ₹10/- each to ₹6,06,00,080/- divided into 60,60,008 equity shares of ₹10/- each.	45,45,006	4,54,50,060
January 19, 2021	March 18, 2021	Allotment 21, 81, 000 equity shares @ ₹207 including premium of ₹197/- of equity shares upon IPO.  Paid up capital increased from ₹6,06,00,080/- divided into 60,60,008 equity shares of ₹10/- each to 8,24,10,080/- divided into 82,41,008 equity shares of ₹10/- each.	21,81,000	2,18,10,000
<b>Paid up capital as on March 31, 2021</b>			<b>82,41,008</b>	<b>8,24,10,080</b>

#### UTILISATION OF PROCEEDS RAISED THROUGH ISSUE OF SHARE CAPITAL

Your Company has successfully raised ₹25.42 crores by issue and allotment of shares on preferential basis and ₹45.14 crores from the IPO. The proceeds from the issue and allotment of shares have been utilized towards the working capital requirements and general corporate purposes as mentioned in the offer documents.

#### HOLDING AND SUBSIDIARY COMPANY

Your Company has no holding or subsidiary company as on the date of the report.

During the year under review, the shareholding of holding Company, Ganadhip Wholeseller Private Limited, diluted pursuant to increase in the issued, subscribed and paid- up capital and hence it ceased to be the holding company of the Company.

### ASSOCIATE COMPANY & JOINT VENTURE:

The Company does not have any 'Associate Company' or Joint Venture within the meaning of Section 2(6) of the Act during the period under review.

### DIRECTORS & KEY MANAGERIAL PERSONNEL:

#### Changes in Directors & Key Managerial Personnel

During the year, the following changes took place in the Composition of Directors and Key Managerial Personnel:

Name	Date of Change	Details
Mr. Sumit Pal Singh, (DIN: 08572461)	01/04/2020	Change in designation to Additional Non- Executive Director
Mr. Saurabh Bordia, (DIN: 05153224)	14/10/2020	Resigned as Additional Director
Mr. Ushik Gala, (DIN: 06995765)	19/01/2021	Change in designation from Non- Executive Director to Chairman & Managing Director
Mr. Sejal Doshi, (DIN: 08431221)	19/01/2021	Appointed as Non- Executive Director
Mr. Sharad Jain, (DIN: 01686035)	19/01/2021	Appointed as Non- Executive Director
Mr. Satish Khimawat, (DIN: 07769130)	19/01/2021	Appointed as Non- Executive Independent Director
Mr. Ankit Gala, (DIN: 08271752)	19/01/2021	Appointed as Non- Executive Independent Director
Ms. Sushmita Agarwal, (DIN: 09044546)	27/01/2021	Appointed as Additional Non- Executive Independent Director
Ms. Dhvani Dattani	19/01/2021	Appointed as Chief Financial Officer
Mr. Bharat Gangani	19/01/2021	Appointed as Company Secretary & Compliance Officer

#### Changes in Directors and KMP during the current financial year 2021- 2022

Name	Date	Particulars
Ms. Dhvani Dattani	May 31, 2021	Resigned as Chief Financial Officer
Ms. Radhika Gosrani	June 01, 2021	Appointed as Chief Financial Officer
Mr. Ankit Gala	June 21, 2021	Resigned as Independent Director
Ms. Shruti Chaudhary (DIN: 02880771)	August 13, 2021	Appointed as Additional Director (Independent)

#### Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and AoA, Ms. Ishita Gala (DIN: 07165038) retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment.

The Board recommends her re-appointment for the consideration to the Members for their approval at the ensuing Annual General Meeting on the terms and conditions mentioned in the Notice convening the AGM. A brief profile of Ms. Ishita Gala (DIN: 07165038) has also been provided therein.

#### Appointment of Independent Directors at the Annual General Meeting

Ms. Sushmita Agarwal (DIN: 09044546) and Ms. Shruti Chaudhary (DIN: 02880771), were appointed as Additional Directors (Independent) on the Board of Directors of the Company to hold office up to the ensuing Annual General Meeting. It is proposed to appoint Ms. Sushmita Agarwal (DIN: 09044546) and Ms. Shruti Chaudhary (DIN: 02880771), as Non- Executive Independent Directors for a period of first term of consecutive 5 years whose office shall not be subject to retire by rotation.

The Board recommends the said appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting on the terms and conditions mentioned in the Notice convening the AGM forming part of Annual Report. A brief profile of these Directors has also been provided therein.

#### Declaration of Independence by Independent Directors

The Company has received necessary declarations from all Independent Directors of the Company confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act. There has been no change in the circumstances which may affect their status as independent director during the year.

The Ministry of Corporate Affairs ('MCA') vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA.

In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise, proficiency and qualifications.

#### Company's Policy on Directors' Appointment, Remuneration etc.:

The Nomination and Remuneration Committee of the Company is in place and is available on the Company's website i.e., www.key2elements.com.

#### Board Evaluation:

The shares of the Company were listed on SME platform of BSE on March 22, 2021. Accordingly, provisions of section 134(3)(p) of the Act were not applicable to the Company until the listing of shares in the last week of the March 2021 and hence the Board Evaluation was not carried out during the year under review.

Your Company has formulated a formal policy on Board Evaluation and the same has been placed on the website of the Company- www.key2elements.com

#### Number of Board Meetings:

During the year under review, 23 (Twenty- Three) meetings of the Board of Directors were held.

The intervening gap between two board meetings was within the period prescribed under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and as per Secretarial Standard-1.

### DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS

The Company has constituted various committees in accordance with the provisions of the Companies Act, 2013 the details of which are given as under:

- A. Audit Committee;
- B. Nomination and Remuneration Committee;
- C. Stakeholders Relationship Committee;

#### A. Audit Committee:

Your Company has duly constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013, vide resolution passed in the meeting of the Board of Directors held on January 27, 2021.

#### Composition of Audit Committee

Name of Director	Position in the Committee	Designation
Mr. Sharad Jain	Chairman	Non-Executive Director
Mr. Sejal Doshi	Member	Non-Executive Director
Mr. Ankit Gala*	Member	Independent Director
Mr. Satish Khimawat	Member	Independent Director
Mr. Sushmita Agarwal	Member	Additional Non- Executive Independent Director
Ms. Shruti Chaudhary**	Member	Additional Non- Executive Independent Director

\* Ceased w.e.f. June 21, 2021.

\*\* Appointed w.e.f. August 13, 2021.

During the year under review, the Audit Committee of the Board of Directors met once as per the applicable provisions of the Companies Act, 2013.

During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

#### B. Nomination and Remuneration Committee

Your Company has constituted a Nomination and Remuneration Committee which ensures effective compliances as mentioned in section 178 of the Companies Act 2013, vide resolution passed at meeting of the Board of Directors held on January 27, 2021.

### Composition of Nomination and Remuneration Committee:

Name of Director	Position in the Committee	Designation
Mr. Satish Khimawat	Chairman	Independent Director
Mr. Ankit Gala*	Member	Independent Director
Mr. Sharad Jain	Member	Non-Executive Director
Mr. Sejal Doshi	Member	Non-Executive Director
Ms. Shruti Chaudhary**	Member	Additional Non- Executive Independent Director

\* Ceased w.e.f. June 21, 2021.

\*\* Appointed w.e.f. August 13, 2021.

The Nomination and Remuneration Committee was not required to meet during the year under review.

The Nomination & Remuneration Policy and Code of conduct and appointment of Independent Directors is available on the website of your Company www.key2elements.com .

#### C. Stakeholders Relationship Committee

Your Company has constituted a Stakeholder's Relationship Committee to redress the complaints of the members as per the provisions of Section 178(5) of the Companies Act, 2013 vide resolution passed at the meeting of the Board of Directors held on January 27, 2021.

#### Composition of Stakeholder's Relationship Committee:

Name of Director	Position in the Committee	Designation
Mr. Sejal Doshi	Chairman	Non-Executive Director
Mr. Ushik Gala	Member	Chairman and Managing Director
Mr. Sumit Pal Singh	Member	Non-Executive Director

The Stakeholders Relationship Committee was not required to meet during the year under review.

### AUDITORS:

#### Statutory Auditor:

M/s Chahan Vora & Associates, Chartered Accountant, Mumbai (Firm Registration No. 147060W) was appointed as the Statutory Auditor for a period of five years to hold office from the conclusion of 10<sup>th</sup> Annual General Meeting held on September 30, 2019 until the conclusion of Annual General Meeting to be held for the year ended March 31, 2024 for a period of Five years.

#### Auditor's Report:

There are no qualifications, reservations or adverse remarks in the Statutory Auditor's Report for the FY 2020-21. The Statutory Auditor's Report is enclosed with the financial statement in the Annual Report.

#### Cost Audit

The provisions of section 148 of the Act read with rule 3 of the Companies (Cost Records and Audit) Rules, 2014 do not apply to the Company.

**Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Vinod Kothari & Company, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as “Annexure- 3.”

There are no qualifications, reservations or adverse remarks or disclaimers in the said Report.

**Reporting of frauds by Auditors:**

During the year under review, the Statutory and Secretarial Auditors of your Company has not reported any frauds to the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

**VIGIL MECHANISM:**

Your Company has adopted a Whistle Blower Policy as part of Vigil Mechanism to provide appropriate avenues to the Directors employees and third parties to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of Conduct of the Company. Employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Ombudsman (Chairperson of Audit Committee). No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

No complaint of this nature has been received by Audit Committee during the year under review. The Whistle Blower Policy is available on the website of the Company [www.key2elements.com](http://www.key2elements.com)

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

Your Company recognizes that risk is an integral part of any business and the Board of Directors is committed to managing the risks in a proactive and efficient manner.

The Board of Directors and the management team having regard to your Company's nature and scale of business; periodically assesses risks in the internal and external environment that might affect the Company's existence. The relevant methodology being effectively developed and implemented; the Company has opted to have any formal Risk Management Policy in pursuance of provisions of section 134(n) of the Act which is available on the website of your Company [www.key2elements.com](http://www.key2elements.com).

**ANNUAL RETURN**

In accordance with the Companies Act, 2013, the Annual Return of the Company as on March 31, 2021 will be made available on the Company's website and can be accessed at [www.key2elements.com](http://www.key2elements.com) after the ensuing Annual General Meeting of the Company.

**SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standard 1 and Secretarial Standard 2 relating to Board and General Meetings issued by the Institute of Company Secretaries of India.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Provisions of Section 135 of the Companies Act, 2013, read with applicable Rules, regarding CSR activities to be undertaken by a Company are not applicable during the year under review.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the year under review there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORY ETC.:**

During the year; there was no significant / material order passed by any regulator, court or tribunal on your Company impacting the going concern status and Company's operations in future.

**PROCEEDINGS UNDER INSOLVENCY & BANKRUPTCY CODE, 2016.**

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

**DIRECTORS' RESPONSIBILITY STATEMENTS**

In accordance with the provisions of section 134(3)(c) and 134(5) of the Act; your Directors submit the following responsibility statements:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF EMPLOYEES**

In accordance with the requirements of Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended regarding employees is given in “Annexure- 4” and forms an integral part of this Report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Pursuant to the requirement of the Sexual Harassment of Women at Workplace (Prevention Prohibition & Redressal) Act 2013 and Rules made there under the Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. To build awareness in this area the Company has been conducting induction/refresher programs through external consultants and its in-house training team in the organization on a continuous basis.

There is no case filed, during the financial year under the said Act hence the company has no details to offer.

Date: May 31, 2021

Place: Mumbai

**ACKNOWLEDGEMENT AND APPRECIATION:**

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company especially during the ongoing COVID- 19 pandemic. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors, members, etc. Your directors are deeply grateful to the members and investors for the confidence and faith that they have always reposed in the Company

By order of the Board of Directors  
For Rangoli Tradecomm Limited

Ushik Mahesh Gala  
Chairman & Managing Director  
DIN: 06995765

## “ANNEXURE- 1”

### Dividend Distribution Policy

The Board of Directors (the “Board”) of Rangoli Tradecomm Limited (the “Company”) at its meeting held on January 19, 2021 has adopted this Dividend Distribution Policy (the “Policy”) as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

#### OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

#### CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

#### PARAMETERS TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND

The Board of Directors of the Company shall consider the following financial / internal parameters while declaring or recommending dividend to shareholders:

- ◆ Profits earned during the financial year
- ◆ Cashflow Position of the Company
- ◆ Retained Earnings
- ◆ Earnings outlook for next three to five years
- ◆ Expected future capital / liquidity requirements
- ◆ Any other relevant factors and material events

The Board of Directors of the Company shall consider the following external parameters while declaring or recommending dividend to shareholders:

- ◆ Macro- economic environment
- ◆ Market conditions and consumer trends
- ◆ Changes in regulatory requirements including taxation and tax on dividend
- ◆ Industry Outlook
- ◆ Inflation Rate
- ◆ Shareholder expectations

#### UTILISATION OF RETAINED EARNINGS

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital,
- ii. Organic and/ or inorganic growth,
- iii. Investment in new business(es) and/or additional investment in existing business(es),
- iv. Declaration of dividend,
- v. Capitalisation of shares,
- vi. Buy back of shares,
- vii. General corporate purposes, including contingencies,
- viii. Correcting the capital structure,
- ix. Any other permitted usage as per the Companies Act, 2013.

#### PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

#### WAIVER / FORGO OF RIGHT TO RECEIVE DIVIDEND:

1. The registered shareholders of the Company can waive/forgo their right to dividend entitlement whether completely or partially on all shares or specified number of shares, whether permanently or for a specific term or for specific dividend entitlement by communicating in writing to the Company in the form prescribed by the Company.
2. Dividend waivers may be exercised by the shareholders in order to be remunerated via large dividends in successive years or the waived dividends can be utilized in day-to-day affairs of the company for the ultimate benefit of the shareholders.
3. In case of joint holders holding the Equity Shares of the Company, all the joint holders are required to intimate to the Company in the prescribed form, their decision of waiving/ forgoing their right to receive the dividend from the Company or for terminating the waiver exercised earlier.
4. The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving/forgoing dividend so as to reach the Company before the date fixed for the payment of such dividend. Under no circumstances, any instruction received for waiver/forgoing of the right to receive the dividend for any year after the Date fixed for the payment of such dividend for that year shall be given effect to.
5. The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and cannot be withdrawn for that particular year for such waived/forgone the

right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/ Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/forgoing of the right to receive the dividend for the particular year.

6. The instruction by a Shareholder to the Company for waiving/ forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder. There is a no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
7. The Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company in

the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.

8. The Company would be required to take necessary action for processing the dividend waiver requests by intimating to the Registrar and Transfer Agents (RTA) and remitting the waived amount from the Dividend account maintained with the Bank into Company's Account.
9. The decision of the Board of Directors of the Company or such person(s) as may be authorised by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.

#### MODIFICATION OF THE POLICY

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

“ANNEXURE- 2”

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship:	Nature of contracts/ arrangements/ transactions:	Duration of the contracts / arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any: (₹in crore)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Suumaya Retail Limited; Common Directors	Sale of goods	Ongoing	704.02	NA as on arm's length basis and in ordinary course of business	N/A
Suumaya Industries Limited; Common Directors	Sale of goods	Ongoing	165.62	NA as on arm's length basis and in ordinary course of business	N/A

For and on behalf of the Board

**Ushik Mahesh Gala**  
 Chairman & Managing Director  
 DIN: 06995765

Date: May 31, 2021  
 Place: Mumbai

“ANNEXURE- 3”

**Form No. MR-3**

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
 The Members,  
 Rangoli Tradecomm Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rangoli Tradecomm Limited** (formerly “**Rangoli Tradecomm Private Limited**”) (hereinafter called “**the Company**”) for the financial year ended March 31, 2021 [“**period under review**”] in terms of Audit Engagement Letter dated May 10, 2021. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the period under review, according to the provisions of applicable law provided hereunder:

- The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.

e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

5. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say: No specific law is applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India.

We report that during the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

**Recommendations as a matter of best practice:**

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

**We further report that:**

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

Adequate notice is given to all directors to hold the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for few meetings that were held on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

**We further report that** there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the period under review, the Company has not undertaken any specific events/ actions that can

have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

**1. Conversion from private company to public company:**

During the period under review, the shareholders approved the conversion into public limited company at the extraordinary general meeting held on September 24, 2020. The Certificate of Incorporation consequent upon conversion was issued by the Registrar of Companies on November 09, 2020.

**2. Initial Public Offer and Listing on the stock exchange:**

During the period under review, the Company made an initial public issue of 21,81,000 equity shares of face value of INR 10 each fully paid-up for cash at price of INR 207.00 per equity Share (including premium of INR 197.00 per share) aggregating to INR 4,514.67 lakhs.

The equity shares of the Company got listed on the SME Platform of BSE Limited in the list of 'MT' Group Securities on March 22, 2021.

**3. Preferential Allotment:**

During the period under review, prior to the listing of equity shares, the Company allotted 7,82,002 equity shares of face value of INR 10 each, on a preferential basis for consideration at a price of INR 325 per equity share (including premium of INR 315 per share) aggregating to INR 2541.50 lakhs as approved by shareholders at the extraordinary general meeting held on December 15, 2020.

**4. Bonus Issue:**

During the period under review, prior to listing of equity shares, the Company issued 45,45,006 equity shares of face value of INR 10 each against 15,15,002 fully paid-up equity shares, as Bonus Issue to the existing shareholders in the ratio of 3:1 i.e. three equity shares for every one equity share held, out of the sums standing to the credit of Share Premium or Profit Reserves

of the Company as on September 30, 2020 and the same was approved by the shareholders at the extraordinary general meeting held on January 19, 2021.

**5. Increase in Authorised Share Capital of the Company:**

During the period under review, pursuant to the shareholders' approval at the extraordinary general meeting held on September 24, 2020, the Company increased its authorised share capital from INR 74,00,000 divided into 7,40,000 equity shares of face value of INR 10 each to INR 12,00,00,000 divided into 1,20,00,000 equity shares of INR 10 each.

**6. Alteration in the Memorandum of Association of the Company:**

During the period under review, pursuant to the shareholders' approval in the extraordinary general meeting held on September 24, 2020, the Company altered the following clauses of its Memorandum of Association:

- i. Name clause by deleting the word 'Private';
- ii. Object clause to align the same with Table A of the Act; and
- iii. Capital clause due to increase in the authorised share capital.

**7. Adoption of new set of the Articles of Association:**

During the period under review, pursuant to the shareholders' approval in the extraordinary general meeting held on September 24, 2020, the Company adopted new set of Articles of Association in line with the Table F under the Act.

**8. Approval to borrow funds pursuant to Section 180(1)(c) of the Act and to create a charge thereof pursuant to Section 180(1)(a) of the Act:**

During the period under review, the Company approved borrowing of funds up to INR 5,000 crores and create a charge on the assets of the Company to secure such borrowings pursuant to Sections 180(1)(c) and 180(1)(a) of the Act at its annual general meeting held on December 21, 2020.

**ANNEXURE I**

**ANNEXURE TO SECRETARIAL AUDIT REPORT (NON-QUALIFIED)**

To,  
The Members,  
Rangoli Tradecomm Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same was not possible due to the lockdowns and travel restrictions imposed by Central and State Governments respectively. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/ authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**ANNEXURE II**

**List of Documents**

1. Draft unsigned minutes for the meetings of the following held during the period under review:
  - a. Board of Directors;
  - b. Audit Committee;
  - c. Borrowings, Investment, Loans And Guarantees Committee;
  - d. Annual General Meeting;
  - e. Extraordinary General Meetings.
2. Agenda papers for Board Meeting along with notice on a sample basis;
3. Annual Report for financial year 2019-20;
4. Directors disclosures under the Act and rules made thereunder (on sample basis);
5. Statutory Registers under the Act;
6. Forms filed with ROC, intimations made to stock exchange;
7. Draft Policies/ Codes framed under the Act & SEBI regulations.

For M/s Vinod Kothari & Company  
Practicing Company Secretaries  
Unique Code: P1996WB042300

**Vinita Nair**  
*Senior Partner*  
Membership No.: F10559  
CP No.: 11902  
UDIN: F010559C000396076  
Peer Review Certificate No.:781/2020

Place: Mumbai  
Date: May 31, 2021

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.



“ANNEXURE 4”

**DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below: NA as no Director was paid remuneration during the year ended March 31, 2021.

Notes: 1. Median remuneration of the employees of the Company during the financial year is ₹1,92,903/-

2. The ratio of remuneration of Director to the median employee's remuneration for the financial year is not comparable as no remuneration was paid to the Directors during the year under review.

- The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary, if any, in the financial year:

Name of KMP	Designation	Increase (%)
Ushik Gala*	Chairman & Managing Director	NA
Dhwani Dattani**	Chief Financial Officer	NA
Bharat Gangani**	Company Secretary & Compliance Officer	NA

\*Mr. Ushik Gala, Chairman & Managing Director was not paid any remuneration during the year under review.

\*\*Percentage increase in remuneration not reported as position was held for part of the financial year 2020-21

- The percentage decrease in the median remuneration of employees in the financial year: 5.9%

**Note:** Percentage decrease in median remuneration calculated as per ODD number of employees.

- The number of permanent employees on the roll of company as on March 31, 2021: 39

- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and

any exceptional circumstances for increase in the managerial remuneration:

	Increase (%)
Average Employees remuneration other than managerial remuneration	NA
Managerial Remuneration**	NIL

Note:

\*Percentage increase in salaries of employees is not comparable in view of the attrition of the employees and lack of uniformity in remuneration.

\*\*Managerial Personnel includes Managing Director.

- Affirmation that the remuneration is as per the remuneration policy of the company:** It is hereby agreed that all the remuneration is paid according to the company's remuneration policy for Directors, Key Managerial Personnel and other Employees.

**DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹1,02,00,000 – NIL
- Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹8,50,000/- per month – NIL
- Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company – NIL

By order of the Board of Directors  
For Rangoli Tradecomm Limited

Ushik Mahesh Gala  
Chairman and Managing Director  
DIN: 06995765

Date: May 31, 2021  
Place: Mumbai

**Independent Auditor's Report**

Rangoli Tradecomm Limited  
(formerly known as Rangoli Tradecomm Private Limited)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying financial statements of Rangoli Tradecomm Limited (formerly known as Rangoli Tradecomm Private Limited) which comprises the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and statement of cash flows for the year then 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 so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and its 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 Company in accordance with 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 on the financial statements.

**Key audit matters**

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

**Revenue recognition**

Key audit matter	How the matter was addressed in our audit
Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the customer which is at the point of dispatch of goods to the customers and is stated after deduction of any trade discounts, volume discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> <li>Evaluated appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>Tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue, revenue cut-off in the general ledger accounting system.</li> <li>Performed substantive year-end cut-off testing by selecting samples of revenue transactions recorded at year-end, and verifying the underlying documents i.e. sales invoices/contracts and shipping documents.</li> <li>Tested manual journals posted to revenue close to year-end to identify unusual items.</li> </ul>

### Other information

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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

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

### Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are 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 generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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. 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 it appears from our examination of those books.
  - c. 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.
  - d. 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 read with the Companies (Accounting Standards) Amendment Rules, 2016.
  - e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the

- Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has represented that it does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
4. With respect to other matters to be included in the auditors report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

**For Chahan Vora & Associates**  
**Chartered Accountants**  
 Firm Registration No. 147060W

**CA. Chahan Vora**  
**Proprietor**  
 Membership No. 183464  
 ICAI UDIN: 21183464AAAAC16067

Mumbai  
 31 May 2021

## Annexure 'A' to the Independent auditor's report on the financial statements of Rangoli Tradecomm Limited (formerly known as Rangoli Tradecomm Private Limited)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's section of our report of even date)

- (i) In respect of company's fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. As explained to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not hold any immovable properties.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted loans to entities covered in the register maintained under section 189 of Companies Act, 2013.
- a) The terms and condition of the grant of such loan are not prejudicial to the interest of the Company.
- b) No schedule of repayment of principal and payment of interest has been stipulated.
- c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) The Central Government has not prescribed the maintainance of cost records under section 148 of the Act in respect of products sold by the Company.
- (vii) According to the information and explanation given to us, in respect of statutory dues:
- (a) According to the records of the company the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, goods and services, custom duty, cess and other material statutory dues applicable to it. There are slight delays in few cases of income tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and services tax, custom duty and cess were in arrears, as at 31 March 2021 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, goods and services tax, value added tax, custom duty, and cess that have not been deposited with appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not borrowed from financial institution, debenture holders and Government. The Company has not defaulted in respect of borrowings from the bank.
- (ix) The Company has raised money through initial public offer during the year which is being utilized for the purpose that they were raised for. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of or further public offer (including debt instruments) and term loans during the year.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the remuneration paid by the Company to its director is in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company has made a preferential allotment of shares and the requirements of section 42 of the Act have been complied with. According to the information and explanations given to us and based on our examination of the records, the Company has not made any private placement of shares or fully or partly convertible debentures during the year.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

**For Chahan Vora & Associates**  
Chartered Accountants  
Firm Registration No. 147060W

**CA. Chahan Vora**  
Proprietor

Mumbai  
31 May 2021

Membership No. 183464  
ICAI UDIN: 21183464AAAACI6067

## Annexure 'B' to the Independent auditor's report on the financial statements of Rangoli Tradecomm Limited (formerly known as Rangoli Tradecomm Private Limited)

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date)

We have audited the internal financial controls with reference to the financial statements of Rangoli Tradecomm Limited (formerly known as Rangoli Tradecomm Private Limited) ('the Company') as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to the financial statements 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.

### Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 with reference to the financial statements 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 with reference to the financial statements were 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 with reference to the financial statements.

### Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the 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.

**For Chahan Vora & Associates**  
Chartered Accountants  
Firm Registration No. 147060W

**CA. Chahan Vora**  
Proprietor

Mumbai  
31 May 2021

Membership No. 183464  
ICAI UDIN: 21183464AAAACI6067

## Balance Sheet as at 31 March 2021

₹ in crores			
Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	2	8.24	0.73
Reserves and surplus	3	124.97	11.28
<b>Non-current liabilities</b>			
Long-term borrowings	4	0.54	-
Deferred tax liabilities	28	0.01	0.00
<b>Current liabilities</b>			
Short-term borrowings	5	48.38	43.17
Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	6	902.47	14.25
Other current liabilities	7	14.86	0.26
Short-term provisions	8	18.82	0.81
<b>Total</b>		<b>1,118.29</b>	<b>70.50</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Tangible assets	9	1.11	0.02
Intangible assets	9	0.00	0.01
Intangible assets under development		0.18	-
Non-current investments	10	0.40	0.40
Long-term loans and advances	11	4.59	2.75
<b>Current assets</b>			
Inventories		244.70	12.05
Trade receivables	12	774.35	30.85
Cash and cash equivalents	13	42.96	2.73
Short-term loans and advances	14	49.99	21.69
Other current assets	15	0.01	-
<b>Total</b>		<b>1,118.29</b>	<b>70.50</b>
Significant accounting policies	1		
Other notes to the financial statements	23-34		
The notes referred to above form an integral part of these financial statements			

As per our attached report of even date

**For Chahan Vora and Associates**  
*Chartered Accountants*

CA Chahan Vora  
*Proprietor*  
Firm Registration Number: 147060W  
Membership Number: 183464

Mumbai  
31 May 2021

For and on behalf of the Board of Directors of  
Rangoli Tradecomm Limited  
(Formerly known as Rangoli Tradecomm Private Limited)  
CIN: U51909WB2009PTC137310

Ushik Mahesh Gala  
*Chairman and Managing Director*  
DIN: 06995765

Dhwani Dattani      Bharat Gangani  
*Chief financial officer      Company Secretary*  
Mumbai  
31 May 2021

## Statement of profit and loss for the year ended 31 March 2021

₹ in crores			
Particulars	Note	31 March 2021	31 March 2020
<b>Income</b>			
Revenue from operations	16	1,186.88	162.45
Other income	17	0.39	2.98
<b>Total Income</b>		<b>1,187.27</b>	<b>165.43</b>
<b>Expenses</b>			
Purchase of stock-in-trade	18	1,342.39	173.83
Changes in inventories of stock-in-trade	19	(232.65)	(12.05)
Employees benefit expense	20	1.32	0.30
Finance costs	21	0.57	-
Depreciation and amortisation expense	9	0.06	0.00
Other expenses	22	4.76	0.29
<b>Total expenses</b>		<b>1,116.45</b>	<b>162.37</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>70.82</b>	<b>3.06</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>70.82</b>	<b>3.06</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>70.82</b>	<b>3.06</b>
<b>Tax expenses:</b>			
Current tax			
For current year		20.07	0.95
For earlier years		0.02	-
Deferred tax		0.01	0.00
<b>Profit for the year</b>		<b>50.72</b>	<b>2.11</b>
<b>Earnings per equity share (in ₹)</b>	26		
Basic		136.65	28.82
Diluted		136.65	28.82
Adjusted		-	7.21
Significant accounting policies	1		
Other notes to the financial statements	23-34		
The notes referred to above form an integral part of these financial statements.			

As per our attached report of even date

**For Chahan Vora and Associates**  
*Chartered Accountants*

CA Chahan Vora  
*Proprietor*  
Firm Registration Number: 147060W  
Membership Number: 183464

Mumbai  
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Dhwani Dattani      Bharat Gangani  
*Chief financial officer      Company Secretary*  
Mumbai  
31 May 2021

## Cash Flow Statement for the year ended 31 March 2021

₹ in crores		
Particulars	31 March 2021	31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax	70.82	3.06
<b>Adjustments for:</b>		
Depreciation and amortisation expense	0.06	0.00
Interest paid	0.57	-
Interest income on bank deposits	(0.01)	-
Interest income on loans and advances	(0.18)	-
Unrealised net gain on foreign currency transactions	(0.17)	-
Short-term provision written off	-	(0.00)
<b>Working capital changes:</b>		
(Increase) in trade receivables	(743.50)	(30.85)
(Increase) in inventories	(232.65)	(12.05)
(Increase) in short-term loans and advances	(28.12)	(11.39)
(Increase) in long-term loans and advances	(1.29)	(2.75)
Increase in trade payables	888.39	14.25
Increase in other current liabilities	14.46	0.26
<b>Net Cash (used in) operations</b>	<b>(31.62)</b>	<b>(39.47)</b>
Income taxes paid (net)	(2.08)	(0.60)
<b>Net cash (used in) operating activities</b>	<b>(33.70)</b>	<b>(40.07)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1.90)	(0.03)
Investment in bank deposit	(5.00)	-
Purchase of non current investments	-	(0.40)
<b>Net cash (used) in investing activities</b>	<b>(6.90)</b>	<b>(0.43)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	7.51	-
Proceeds from securities premium	63.04	-
Interest paid	(0.42)	-
Dividend paid	(0.07)	-
Proceeds from long-term borrowings	0.54	-
Proceeds from short-term borrowings (net)	5.22	43.17
<b>Net cash flows from financing activities</b>	<b>75.83</b>	<b>43.17</b>
<b>Net increase in cash and cash equivalents</b>	<b>35.22</b>	<b>2.67</b>
Cash and cash equivalents at the beginning of year	2.73	0.06
Cash and cash equivalents at the end of year	37.96	2.73

### Note:

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in AS 3 'Cash Flow Statements'

## Cash Flow Statement for the year ended 31 March 2021 (Continued)

₹ in crores		
Particulars	31 March 2021	31 March 2020
<b>Components of cash and cash equivalents</b>		
Cash in hand	20.05	1.19
Balances with banks		
- in current accounts	17.91	1.54
<b>Total</b>	<b>37.96</b>	<b>2.73</b>

₹ in crores		
Particulars	31 March 2021	31 March 2020
<b>Reconciliation of cash and cash equivalents</b>		
Amount as per above	37.96	2.73
Amount of bank deposits shown under other bank balances	5.00	-
<b>Total shown under Cash and cash equivalents (Note 13)</b>	<b>42.96</b>	<b>2.73</b>

As per our attached report of even date

For Chahan Vora and Associates  
Chartered Accountants

CA Chahan Vora  
Proprietor  
Firm Registration Number: 147060W  
Membership Number: 183464

Mumbai  
31 May 2021

For and on behalf of the Board of Directors of  
Rangoli Tradecomm Limited  
(Formerly known as Rangoli Tradecomm Private Limited)  
CIN: U51909WB2009PTC137310

Ushik Mahesh Gala  
Chairman and Managing Director  
DIN: 06995765

Dhwani Dattani      Bharat Gangani  
Chief financial officer      Company Secretary  
Mumbai  
31 May 2021

## Notes to the financial statements for the year ended 31 March 2021

### 1. CORPORATE INFORMATION:

Rangoli Tradecomm Limited (formerly known as Rangoli Tradecomm Private Limited) ('the Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) SME Platform w.e.f. 22 March, 2021. The registered office of the Company is at Kolkata.

Incorporated in 2009, the Company is engaged in the trading of wide range of polymer, and textile commodities.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Preparation

The financial statements of the Company have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with generally accepted accounting principles in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounting) Rules, 2014 read with the Companies (Accounting Standards) Amendment Rules, 2016 and other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Act.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

These financial statements are presented in India Rupees unless otherwise stated.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in its meeting held on 31 May 2021.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### 2.3 Current / 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 equivalents 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 treated as current when:

- It is expected to be settled in 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.

All other liabilities are classified as non-current.

#### 2.4 Operating cycle

All assets have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained twelve months as its operating cycle.

## Notes to the financial statements for the year ended 31 March 2021

### 2.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the customer which is at the point of dispatch of goods to the customers and is stated after deduction of any trade discounts, volume discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc.

#### Interest income

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the rate applicable.

### 2.6 Property, plant and equipment:

#### Tangible assets

Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition of tangible assets comprises its purchase price and is inclusive of freight, duties and taxes, interest, if any, on specific borrowings utilized for financing the assets up to the date of commissioning, the cost of installation/erection and other incidental expenses.

Depreciation on tangible assets is provided on the straight line method over the useful lives of assets as prescribed under Part C of the Schedule II of the Act which is based on management assessment. Depreciation for assets purchased/ sold during a period is proportionately charged.

Advance paid for acquisition of property, plant and equipment which are not ready for their intended use at each balance sheet date are disclosed under loans and advances as capital advances.

#### Intangible assets

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

#### Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount is the higher of an asset's selling price less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The impairment loss is recognized in the statement of profit and loss. If at the Balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### 2.7 Inventories

Inventories consists of stock-in-trade and are valued at lower of cost and net realizable value. Cost of inventories is determined on weighted average cost basis. Cost of inventories comprises all costs of purchase, other costs incurred in bringing the inventories to their present location and condition. The comparison of cost and net realizable value is made on an item-by-item basis.

### 2.8 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Profit or loss on sale of investments is recognized in the statement of profit and loss upon disposal of the investment.

### 2.9 Foreign currency transactions

Transactions denominated in foreign currency are recorded using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated

## Notes to the financial statements for the year ended 31 March 2021

monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss.

Non-monetary foreign currency items are carried at cost.

### 2.10 Leases

#### Where the Company is the lessee:

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are classified as finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

### 2.11 Taxation

#### Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each reporting date for appropriateness of their carrying value.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.12 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure for contingent liability is made when there is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

### 2.13 Borrowing Cost

Borrowing costs directly attributable for acquisition of qualifying assets are capitalized as part of the asset. The other borrowing costs are charged to statement of profit and loss as and when they are incurred.

### 2.14 Earnings Per Share

The basic earnings per share is computed by dividing net profit attributable to the equity shareholders for the year by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, that could have been issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

### 2.15 Cash flow statement

Cash flow is reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 2.16 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## Notes to the financial statements for the year ended 31 March 2021

### NOTE 2 - SHARE CAPITAL

₹ in crores

Particulars	31 March 2021	31 March 2020
<b>Authorised Share Capital:</b>		
12,000,000 equity shares (31 March 2020: 740,000) of ₹10/- each fully paid up	12.00	0.74
<b>Issued, Subscribed and Paid up:</b>		
8,241,008 equity shares (31 March 2020: 733,000) of ₹10/- each fully paid up	8.24	0.73

#### (a) Shareholders holding more than 5% of the paid up share capital of the Company

₹ in crores

Name of the shareholders	31 March 2021		31 March 2020	
	No. of Shares	%	No. of Shares	%
Ganadhip Wholeseller Private Limited	2,640,000	32.0	660,000	90.0
Ushik Gala	729,336	8.9	-	-
Sumit Pal Singh	689,336	8.4	-	-
Ishita Gala	689,336	8.4	-	-
Maimeet Investments	500,000	6.1	-	-
Pranir Investments	500,000	6.1	-	-

#### (b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

₹ in crores

Particulars	31 March 2021	31 March 2020
At the beginning of the year	733,000	733,000
Add: issued during the year:		
Bonus shares	4,545,006	-
Preferential allotment	782,002	-
Initial public offer	2,181,000	-
At the end of the year	8,241,008	733,000

- During the year ended 31 March 2021, 7,82,002 equity shares were allotted of ₹10/- each through preferential issue which ranks pari passu with the existing equity shares of the Company in all respects including dividend.
- The Company has issued bonus shares by issuing 45,45,006 equity shares of ₹10 each in the ratio of 3:1 i.e. (three bonus equity shares for every one share held).
- During the year ended 31 March 2021, the Company has completed Initial Public Offer (IPO) including a fresh issue of ₹45.14 crores comprising of 21,81,000 equity shares of ₹10 each at an issue price of ₹207 per share. The equity shares of the Company were listed on BSE SME w.e.f. 22 March 2021.

#### (c) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

#### (d) Shares held by Holding Company

₹ in crores

Particulars	31 March 2020
Ganadhip Wholeseller Private Limited	660,000

During the year, the shareholding of the Holding Company, Ganadhip Wholeseller Private Limited, diluted pursuant to increase in the issued, subscribed and paid up capital and hence it ceased to be the Holding Company of the Company.

## Notes to the financial statements for the year ended 31 March 2021

## NOTE 3 - RESERVES AND SURPLUS

Particulars	₹ in crores	
	31 March 2021	31 March 2020
<b>Securities Premium</b>		
Opening balance	6.24	6.24
Add: during the year	63.04	-
Closing balance	69.28	6.24
<b>Surplus in Statement of profit and loss</b>		
Opening balance	5.04	2.93
Add: Transfer from statement of profit and loss	50.72	2.11
Less: Interim Dividend at ₹1 per share	(0.07)	-
Closing balance	55.69	5.04
	<b>124.97</b>	<b>11.28</b>

## NOTE 4 - LONG-TERM BORROWINGS (SECURED)

Particulars	₹ in crores	
	31 March 2021	31 March 2020
From bank	0.54	-
	<b>0.54</b>	<b>-</b>

## Nature:

Car loan payable in 60 monthly installments with interest rate of 9.17% p.a.

## NOTE 5 - SHORT-TERM BORROWINGS

Particulars	₹ in crores	
	31 March 2021	31 March 2020
<b>Unsecured</b>		
- from related parties	48.38	39.67
- from others	-	3.50
	<b>48.38</b>	<b>43.17</b>

## NOTE 6 - TRADE PAYABLES

Particulars	₹ in crores	
	31 March 2021	31 March 2020
(a) Total outstanding dues of micro and small enterprises (refer note 27)	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	902.47	14.25
	<b>902.47</b>	<b>14.25</b>

## NOTE 7 - OTHER CURRENT LIABILITIES

Particulars	₹ in crores	
	31 March 2021	31 March 2020
Current maturities of long-term borrowings (refer note 4)	0.19	-
Accrual for expenses	0.14	0.19
Accrued salaries and other allowances	0.05	0.04
Advance from customers	13.33	-
Interest accrued and due on borrowings	0.14	-
Payable for property, plant and equipment	0.00	-
Statutory dues (including tax deducted and collected at source)	1.01	0.03
	<b>14.86</b>	<b>0.26</b>

## NOTE 8 - SHORT-TERM PROVISIONS

Particulars	₹ in crores	
	31 March 2021	31 March 2020
Provision for taxation (net of advance tax)	18.82	0.81
	<b>18.82</b>	<b>0.81</b>

## Notes to the financial statements for the year ended 31 March 2021

## NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross block			Depreciation and Amortisation			Net block		
	As on 1 April 2020	Addition	Deletion 2020-21	As on 31 March 2021	As on 1 April 2020	During the year	As on 31 March 2021	As on 31 March 2021	As on 31 March 2020
<b>Tangible assets</b>									
Office equipments	0.01	0.00	-	0.01	0.00	0.00	0.00	0.01	0.01
Computers	0.01	0.07	-	0.08	0.00	0.02	0.02	0.06	0.01
Vehicle	-	1.01	-	1.01	-	0.04	0.04	0.97	-
Furniture and fixtures	-	0.07	-	0.07	-	0.00	0.00	0.07	-
<b>Tangible assets total</b>	<b>0.03</b>	<b>1.15</b>	<b>-</b>	<b>1.18</b>	<b>0.00</b>	<b>0.06</b>	<b>0.06</b>	<b>1.11</b>	<b>0.02</b>
<b>Intangible assets</b>									
Software	0.01	0.00	-	0.01	0.00	0.00	0.00	0.00	0.01
<b>Intangible assets total</b>	<b>0.01</b>	<b>0.00</b>	<b>-</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>
<b>Total</b>	<b>0.03</b>	<b>1.15</b>	<b>-</b>	<b>1.18</b>	<b>0.00</b>	<b>0.06</b>	<b>0.06</b>	<b>1.11</b>	<b>0.03</b>

## NOTE 10 - INVESTMENTS

Particulars	₹ in crores	
	31 March 2021	31 March 2020
Suumaya Industries Limited (24,000 Equity Shares)	0.05	0.05
Nivaka Fashion Limited (339,889 Equity Shares)	0.35	0.35
	<b>0.40</b>	<b>0.40</b>

## NOTE 11 - LONG-TERMS LOANS AND ADVANCES

Particulars	₹ in crores	
	31 March 2021	31 March 2020
Capital advance	3.30	2.75
Security deposits	0.23	-
Other loans and advances	1.06	-
	<b>4.59</b>	<b>2.75</b>

## NOTE 12 - TRADE RECEIVABLES

Particulars	₹ in crores	
	31 March 2021	31 March 2020
<b>Unsecured, considered good unless stated otherwise</b>		
Aggregate amount outstanding for a period exceeding six months from the date they are due for payment	16.79	-
Other receivables	757.56	30.85
Other loans and advances		
	<b>774.35</b>	<b>30.85</b>

Refer note 29 for receivable from related parties

## NOTE 13 - CASH AND CASH EQUIVALENTS

Particulars	₹ in crores	
	31 March 2021	31 March 2020
Cash in hand	20.05	1.19
Balances with banks		
- in current accounts	17.91	1.54
Other bank balances		
Bank deposits due to mature within 12 months of the reporting date	5.00	-
	<b>42.96</b>	<b>2.73</b>



## Notes to the financial statements for the year ended 31 March 2021

## NOTE 14 - SHORT-TERMS LOANS AND ADVANCES

₹ in crores		
Particulars	31 March 2021	31 March 2020
<b>Unsecured, considered good</b>		
<i>To related parties (Refer note 29)</i>		
Loan given	10.33	14.81
Other receivables	0.00	-
<i>Other than related parties</i>		
Balance with Government Authorities	15.97	1.14
Advance to suppliers	12.11	3.61
Loan given	7.70	-
Security deposits	2.24	0.03
Other loans and advances	1.64	2.01
Other receivables	-	0.09
	<b>49.99</b>	<b>21.69</b>

## NOTE 15 - OTHER CURRENT ASSETS

₹ in crores		
Particulars	31 March 2021	31 March 2020
Interest accrued on bank deposits	0.01	-
	<b>0.01</b>	<b>-</b>

## NOTE 16 - REVENUE FROM OPERATIONS

₹ in crores		
Particulars	31 March 2021	31 March 2020
Sale of goods	1,186.88	162.29
Sale of services		
Job work	-	0.16
	<b>1,186.88</b>	<b>162.45</b>

## NOTE 17 - OTHER INCOME

₹ in crores		
Particulars	31 March 2021	31 March 2020
Commission income	-	2.97
Interest income on bank deposits	0.01	-
Interest income on loans and advances	0.18	-
Net gain on foreign currency transactions	0.20	0.01
	<b>0.39</b>	<b>2.98</b>

## NOTE 18 - PURCHASE OF STOCK-IN-TRADE

₹ in crores		
Particulars	31 March 2021	31 March 2020
Purchases of stock-in-trade	1,342.39	173.83
	<b>1,342.39</b>	<b>173.83</b>

## Notes to the financial statements for the year ended 31 March 2021

## NOTE 19 - CHANGES IN INVENTORIES OF STOCK-IN-TRADE

₹ in crores		
Particulars	31 March 2021	31 March 2020
Opening stock	12.05	-
Less: closing stock	(244.70)	(12.05)
	<b>(232.65)</b>	<b>(12.05)</b>

## NOTE 20 - EMPLOYEE BENEFITS EXPENSES

₹ in crores		
Particulars	31 March 2021	31 March 2020
Salaries and other allowances	1.31	0.30
Staff welfare expenses	0.02	0.00
	<b>1.32</b>	<b>0.30</b>

## NOTE 21 - FINANCE COST

₹ in crores		
Particulars	31 March 2021	31 March 2020
Interest on borrowings	0.50	-
Interest on bank overdraft	0.01	-
Processing fees	0.06	-
	<b>0.57</b>	<b>-</b>

## NOTE 22 - OTHER EXPENSES

₹ in crores		
Particulars	31 March 2021	31 March 2020
Advertisement and business promotion	0.22	0.00
Bank charges	0.00	0.00
Commission expenses	0.65	0.01
Discount on sales	-	0.07
Electricity expenses	0.05	0.00
Freight charges	0.75	-
Insurance expenses	0.02	0.00
Legal and professional fees	1.00	0.03
Payment to auditors (statutory audit, tax audit, certification)	0.02	0.01
Loans and advances written off	0.25	-
Maintenance Charges	0.14	-
Manpower services	0.04	0.01
Rent	0.45	0.06
Printing and Stationery	0.13	0.00
Stamp Duty	0.10	-
ROC fees	0.09	0.00
Security charges	0.02	0.01
Travelling and conveyance	0.05	0.01
Director sitting fees	0.04	-
Postage, telephone and communication	0.04	0.00
Miscellaneous Expenses	0.70	0.08
	<b>4.76</b>	<b>0.29</b>

## Notes to the financial statements for the year ended 31 March 2021

### NOTE 23 - CONTINGENT LIABILITIES

The contingent liabilities as at 31 March 2021 is ₹ Nil (31 March 2020: ₹ Nil).

### NOTE 24 - VALUE OF IMPORT ON CIF BASIS

₹ in crores

Particulars	31 March 2021	31 March 2020
Stock-in-trade	5.41	-
	5.41	-

### NOTE 25 - UNHEDGED FOREIGN CURRENCY EXPOSURE

₹ in crores

Name of the shareholders	31 March 2021		31 March 2020	
	Foreign currency	INR amount	Foreign currency	INR amount
Trade payables	USD 562,134	4.12	-	-
	USD 562,134	4.12	-	-

### NOTE 26 - EARNINGS PER SHARE

₹ in crores

Particulars	31 March 2021	31 March 2020
<b>Basic and diluted earnings per share</b>		
Net profit after tax attributable to shareholders	50.72	2.11
Number of equity shares at the beginning of the year	733,000	733,000
Add: shares issued during the year	7,508,008	-
Number of equity shares at the end of the year	8,241,008	733,000
Weighted average number of equity shares outstanding during the year	3,711,490	733,000
Nominal value of equity shares	10	10
Basic and diluted earnings per share (face of value of ₹ 10 per share)	136.65	28.82

### NOTE 27 - DUE TO MICRO AND SMALL ENTERPRISES

₹ in crores

Particulars	31 March 2021	31 March 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year	-	-
(b) the amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The information has been determined to the extent information is available with the Company

## Notes to the financial statements for the year ended 31 March 2021

### NOTE 28 - DEFERRED TAX

₹ in crores

Particulars	31 March 2021	31 March 2020
Excess of net block of property, plant and equipment as per books of accounts over net block of property, plant and equipment for tax purpose	0.01	0.00
<b>Total</b>	<b>0.01</b>	<b>0.00</b>

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

### NOTE 29 - RELATED PARTY DISCLOSURES

As per the requirement of Accounting Standard 18 on Related Party Disclosures, the names of the related parties with the description of the relationships and transactions between a reporting enterprise and its related parties have been identified by the management

#### Director, Key management personnel and relatives

Ushik Gala - Chairman and Managing Director

Sumit Singh - Non executive Director

Dhwani Dattani - Chief Financial Officer (w.e.f. January 19, 2021)

Bharat Gangani - Company secretary (w.e.f. January 19, 2021)

Karishma Kaku - Relative of director

#### Entities where significant influence exists

Suumaya Industries Limited (Formerly known as Suumaya Lifestyle Limited)

Suumaya Agro Limited

Suumaya Retail Limited

Suumaya Fabrics Limited

Om Sai Nityanand Management Private Limited

Ganadhip Wholeseller Private Limited

Shree Malad K.V.O Jain Samaj Foundation (formerly known as I Say Education & Skill Development Foundation)

Olympus Fintax Solutions Private Limited

Suumaya Trends Private Limited (formerly known as Suumaya Trends LLP)

Hence Agro Limited

#### Transactions with related parties

₹ in crores

Particulars	31 March 2021	31 March 2020
<b>Revenue from Operations</b>		
Suumaya Retail Limited	704.02	-
Suumaya Industries Limited (Formerly known as Suumaya Lifestyle Limited)	165.62	-
Om Sai Nityanand Management Private Limited	0.05	-
<b>Purchase of stock-in-trade</b>		
Suumaya Agro Limited	79.19	-
Suumaya Fabrics Limited	79.32	90.00
Suumaya Industries Limited (Formerly known as Suumaya Lifestyle Limited)	43.13	3.93
Om Sai Nityanand Management Private Limited	5.60	-
<b>Dividend paid</b>		
Ganadhip Wholeseller Private Limited	0.07	-
<b>Remuneration</b>		
Sumit Singh	0.44	0.22
Dhwani Dattani - Chief Financial Officer (w.e.f. January 19, 2021)	0.02	-
Karishma Kaku	0.03	-

## Notes to the financial statements for the year ended 31 March 2021

### Closing balances with related parties

Particulars	₹ in crores	
	31 March 2021	31 March 2020
<b>Trade receivables</b>		
Suumaya Retail Limited	704.02	-
Suumaya Industries Limited (Formerly known as Suumaya Lifestyle Limited)	11.63	-
<b>Trade payables</b>		
Suumaya Agro Limited	56.84	-
<b>Investments</b>		
Suumaya Industries Limited (Formerly known as Suumaya Lifestyle Limited)	0.05	0.05
<b>Borrowings</b>		
Shree Malad K.V.O Jain Samaj Foundation (formerly known as I Say Education & Skill Development Foundation)	0.29	-
Olympus Fintax Solutions Private Limited	-	2.35
<b>Loan from Directors</b>		
Ushik Gala	47.66	39.67
Sumit Singh	0.43	-
<b>Loans and Advances (net)</b>		
Suumaya Trends Private Limited (formerly known as Suumaya Trends LLP)	0.05	-
Hence Agro Limited	0.00	-
Om Sai Nityanand Management Private Limited	10.28	-
Suumaya Industries Limited (Formerly known as Suumaya Lifestyle Limited)	-	14.81
<b>Remuneration</b>		
Sumit Singh	0.03	-
Dhwani Dattani - Chief Financial Officer (w.e.f. January 19, 2021)	0.02	-

### NOTE 30 - OPERATING LEASES

The Company has taken warehouses and office premises under non cancellable operating lease. The Company has given refundable security deposits in accordance with the agreed terms

Lease payments are recognized in the statement of profit and loss under Rent ₹ 0.45 crores (31 March 2020: ₹ 0.06 crores)

The future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	₹ in crores	
	31 March 2021	31 March 2020
Not later than one year	0.57	-
Later than one year but not later than five years	0.49	-
Later than five years	-	-

### NOTE 31 - SEGMENT REPORTING

As the Company's business activities falls within a single business segment i.e. trading business and the sales are in domestic market, the financial statement are reflective of the information required by Accounting Standard 17 'Segment reporting', notified under Companies (Accounting Standard) Rules, 2014.

### NOTE 32 - ASSESSMENT OF IMPACT OF COVID 19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other non current/current assets (net of provisions established) for any possible impact on the financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc. and is of the view that based on its present assessment, the carrying

## Notes to the financial statements for the year ended 31 March 2021

amount of assets will be recovered and no material adjustments is required in the preparation of these financial results. In this regard, the Company will continue to closely monitor any material changes to future economic conditions.

### NOTE 33 - RECLASSIFICATION OF PREVIOUS YEAR

Previous year figures have been regrouped/reclassified, wherever necessary.

### NOTE 34 - OTHER INFORMATION

Information with regard to other matters specified in schedule III to the Act is either nil or not applicable to the Company.

The notes referred to above form an integral part of these financial statements

As per our attached report of even date

For Chahan Vora and Associates  
Chartered Accountants

For and on behalf of the Board of Directors of  
Rangoli Tradecomm Limited  
(Formerly known as Rangoli Tradecomm Private Limited)  
CIN: U51909WB2009PTC137310

CA Chahan Vora  
Proprietor  
Firm Registration Number: 147060W  
Membership Number: 183464

Ushik Mahesh Gala  
Chairman and Managing Director  
DIN: 06995765

Dhwani Dattani      Bharat Gangani  
Chief financial officer      Company Secretary  
Mumbai  
31 May 2021

Mumbai  
31 May 2021





**Registered address**

19B, B B Ganguly Street, 2<sup>nd</sup> Floor, Kolkata, West Bengal - 700012

**Corporate address**

Gala 5F/D, Malad Industrial Unit, Kanchpada, Malad West, Mumbai - 400064

E-mail: [info@key2elements.com](mailto:info@key2elements.com)  
Website: [www.key2elements.com](http://www.key2elements.com)