

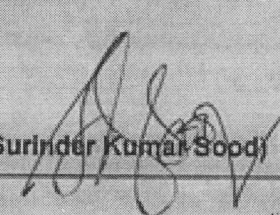


# FORM A

(Pursuant to clause 31(a) of the Listing agreement)  
Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Ritesh Properties and Industries Limited
2.	Annual financial statements for the year Ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<input type="checkbox"/> Managing Director	
	<input type="checkbox"/> Auditor of the company	  (S.M. Mathur) For S.M. Mathur and Company, Chartered Accountants (Firm Reg. No. 06588N)
	<input type="checkbox"/> Audit Committee Chairman	 (Surinder Kumar Sood)



# **28<sup>th</sup> Annual Report**

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## **2014-15**

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

## MANAGEMENT

### BOARD OF DIRECTORS

Chairman-cum-Managing Director

Executive Director & Chief Financial Officer`

Company Secretary

Executive Director

Independent Directors

Mr. Sanjeev Arora

Mr. Kavya Arora

Ms. Himani Khanna

Mr. Roop Kishore Fatehpuriya

Mr. Surendar Kumar Sood

Mr. Gurpreet Singh Brar

Ms. Shweta Sehgal

Auditors

M/s. S.M. Mathur & Co.

Chartered Accountants

162, Arya Samaj Road, Karol Bagh, New Delhi - 110005

Bankers

Allahabad Bank

Clock Tower, Ludhiana

(Punjab)

Head Office Cum Project Office

Focal Point, Phase-VIII,

Chandigarh Road, Ludhiana-141011

Registered Office

11/5B, Pusa Road, New Delhi-110060

Registrar & Share Transfer Agent

Skyline Financial Services Private Limited

D-153 A, 1st Floor, Okhla Industrial Area,

Phase – I, New Delhi - 110020

Tel.: 011 64732681-88, Fax: +91 11 26812682

Web:www.skylinerta.com

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Day : Tuesday	Notice	1
Date : 29 <sup>th</sup> September, 2015	Directors' Report	7
Time : 11.00 a.m.	Management Discussion & Analysis Report	30
Place : M.L.Bharita Auditorium,	Corporate Governance Report	31
Alliance Francaise de Delhi,	Auditors' Report	36
Indo-French Cultural Centre,	Balance Sheet	38
72, Lodhi Estate, New Delhi-	Statement of Profit & Loss	39
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## NOTICE

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of **Ritesh Properties and Industries Limited** will be held on Tuesday, 29<sup>th</sup> day of September, 2015 at 11:00 a.m. at M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi-110003 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a) The Audited Financial Statements of the Company for the financial year ended on March 31, 2015 including Audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Auditors and Directors thereon.
  - b) The Audited Consolidated Financial Statements of the Company for the year ended on March 31, 2015 including Audited Consolidated Balance Sheet as at March 31, 2015 and Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year ended on that date along with the report of the Auditors thereon.
2. To appoint Sh. Sanjeev Arora (DIN 00077748), who retires by rotation and being eligible, offers himself for reappointment.
3. **To ratify the appointment of Statutory Auditors of the Company and in this regard 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 Section 139, 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S.M.Mathur & Co., Chartered Accountants, New Delhi, Firm Registration No. 006588N, as the Statutory Auditors of the Company, be and is hereby ratified for the financial year 2015-16 at such remuneration as may be finalized by Chairman cum Managing Director of the Company.”

### SPECIAL BUSINESS

4. **To Increase the Remuneration of Sh. Sanjeev Arora, Chairman cum Managing Director and to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:**  
 “RESOLVED THAT in accordance with the provisions of section 197 read with schedule V and other applicable provisions, if any, of the Companies Act,

2013 and subject to such sanctions, approvals as may be necessary, the consent of the members be and is hereby accorded to pay the remuneration of Rs. 3,50,000/-p.m. (Three Lakh Fifty Thousand) plus perquisites as sanctioned by the Board from time to time, to Sh. Sanjeev Arora, Chairman-Cum-Managing Director of the Company w.e.f. 1<sup>st</sup> April. 2015 for the remaining tenure of his appointment with the liberty to the Board of Directors (herein after referred to as “Board” which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and to vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by Sh. Sanjeev Arora.”

“**RESOLVED FURTHER THAT** notwithstanding anything herein above stated in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay Sh. Sanjeev Arora remuneration not exceeding Rs. 3,50,000/-p.m.(Three Lakh Fifty Thousand) plus perquisites as minimum remuneration.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and acceptable to Sh. Sanjeev Arora, Chairman-Cum-Managing Director as permissible under the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make such alternations and modifications, as may be required within the limits of Schedule V of the Companies Act, 2013.”

5. **To approve the re-appointment of Sh. Sanjeev Arora as Chairman cum Managing Director and to approve the terms and conditions of re-appointment and to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 read with schedule V and rules thereunder and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) approval of the members of the company be and are hereby accorded to re-appoint Sh. Sanjeev Arora as a Chairman cum Managing Director of the company at a remuneration of Rs. 3,50,000/-p.m.



(Three Lakh Fifty Thousand) for a period of five consecutive years w.e.f. 1<sup>st</sup> April, 2016 on such terms and conditions as may be deemed fit.”

**“RESOLVED FURTHER THAT** notwithstanding anything herein above stated in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay Sh. Sanjeev Arora remuneration not exceeding Rs. 3,50,000/-p.m.(Three Lakh Fifty Thousand) as minimum remuneration.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and acceptable to Sh. Sanjeev Arora, Chairman Cum Managing Director as permissible under the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and to make necessary filings of any statutory forms or other related documents and to do all such acts and things as may be necessary in this regards.”

**6. To Increase the Remuneration of Sh. Kavya Arora, Executive Director and to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of section 197 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such sanctions, approvals as may be necessary, the consent of the members be and is hereby accorded to pay the remuneration of Rs. 1,50,000/-p.m. (One Lakh Fifty Thousand) plus perquisites as sanctioned by the Board from time to time, to Sh. Kavya Arora, Executive Director of the Company w.e.f. 1<sup>st</sup> April. 2015 for the remaining tenure of his appointment with the liberty to the Board of Directors (herein after referred to as “Board” which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and to vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by Sh. Kavya Arora.”

**“RESOLVED FURTHER THAT** notwithstanding anything herein above stated in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay Sh. Kavya Arora remuneration not exceeding Rs. 1,50,000/-p.m.(One Lakh Fifty Thousand) plus perquisites as minimum

remuneration.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and acceptable to Sh. Kavya Arora, Executive Director as permissible under the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make such alternations and modifications, as may be required within the limits of Schedule V of the Companies Act, 2013.”

**7. To approve the re-appointment of Sh. Roop Kishore Fatehpuriya as the Executive Director and to approve the terms and conditions of re-appointment and to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for time being in force) subject to such other consents, permissions and approval of shareholders of Company, Sh. Roop Kishore Fatehpuriya be and is hereby re-appointed as Executive Director of the Company for a term of five years, whose term will be liable to retire by rotation, with effect from 01.09.2015 at a remuneration of Rs. 1,17,110/- ( One Lakh Seventeen Thousand one hundred ten Only ) per month plus allowances as applicable to other employees of the Company with liberty to the Board of Directors (herein after referred to as “Board” which term shall be deemed to include Nomination & Remuneration Committee constituted by the Board) to alter and vary the said remuneration in such form and manner or with such modifications as the Board may be deemed fit and agreed to by Sh. Roop Kishore Fatehpuriya, Executive Director.”

**“RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year, the Company incurs as loss or its profits are inadequate, the Company shall pay Sh. Roop Kishore Fatehpuriya, Executive Director, the above mentioned remuneration as minimum remuneration.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary/alter at any time the remuneration, terms and

conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and acceptable to the Sh. Roop Kishore Fathepuriya, Executive Director of the Company as permissible under the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make such alteration and modifications, as may be required within the limits of Schedule V of the Companies Act, 2013.”

**By Order of the Board  
For Ritesh Properties and Industries Limited**

sd/-

**Place : New Delhi (Sanjeev Arora)**  
**Date: 14.08.2015 Chairman-cum-Managing Director**  
**DIN: 00077748**  
**1108/1, Mukand Lal Road,**  
**Tagore Nagar, Civil Lines,**  
**Ludhiana-141001**

**NOTES:**

- I) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice.
- ii) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- iii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iv) Corporate members intending to send their authorized

representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

- v) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Skyline Financial services Limited.
- vi) The register of members and the share transfer book of the company will remain closed from 27<sup>th</sup> September, 2015 to 29<sup>th</sup> September, 2015 (both days inclusive). The book closure dates have been fixed in consultation with Stock Exchanges.
- vii) The Notice of the AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or with the Depository Participant(s), unless members have requested for the hard copy of the same, physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to the Members who have not registered their email address with the Company Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- viii) Members are requested to bring their copies of Annual Reports along with them, as copies of the report will not be distributed at the meeting.
- ix) Members/proxies are requested to bring their attendance slips sent herewith duly filled in for attending the meeting.
- x) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
- xi) M/s. B.K. Gupta & Associates, Company Secretaries, Ludhiana have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.

xii) The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of the conclusion of AGM. The Results declared along with the Scrutinizer's report shall be placed on Company's website [www.riteshindustries.us](http://www.riteshindustries.us) and CDSL and will be communicated to the stock exchanges.

**viii) Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means.

**xiv) The instructions for shareholders voting electronically are as under:**

- a. The Members whose name appears in the Register of Members of the Company as on 18.09.2015 (CUT OFF DATE). The Members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting shall commence on 26<sup>th</sup> September, 2015 at 9:00 am and ends on 28<sup>th</sup> September 2015 at 05:00 pm. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting value.
- c. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- d. Click on "Shareholders" tab.
- e. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f. Next enter the Image Verification as displayed and Click on Login.
- g. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- h. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence number in the PAN field Sequence number is printed on the name slip affixed in Annual Report.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your Bank demat account or in the company records for the said Details demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id /Folio No. in the dividend bank details field as mention in instruction (e)</li> </ul>

- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password

- confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.'
  - l. Click on the EVSN for <RITESH PROPERTIES AND INDUSTRIES LIMITED> on which you choose to vote.
  - m. 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.
  - n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - o. 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.
  - p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - r. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - s. Note for Institutional Shareholders
    - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
    - Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 18<sup>th</sup> September, 2015 may follow the same instructions as mentioned

above for e-Voting.

- t. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or written email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- u. Members holding equity shares in electronic form and proxies thereof are requested to bring their DP ID and client ID for identification.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **ITEM NO. 4**

As recommended by NRC in its meeting held on 01.04.2015, the Board of Directors of the Company has approved the payment of remuneration to Sh. Sanjeev Arora Rs. 3,50,000/-per month plus perquisite w.e.f. 1<sup>st</sup> April, 2015 for a remaining period of his tenure, subject to approval of members of the Company.

##### **Minimum Remuneration**

In the absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Sh. Sanjeev Arora. Pursuant to provisions of Section 197 read with Schedule V of the Companies Act, 2013, the approval of members is required to be obtained for payment of remuneration to Sh. Sanjeev Arora w.e.f 1<sup>st</sup> April, 2015 as proposed in the resolution.

The above may be treated as an abstract of the terms and conditions of the appointment of Sh. Sanjeev Arora pursuant to Section 197 of the Companies Act, 2013.

##### **ITEM NO. 5**

As recommended by the Nomination and Remuneration Committee in its meeting held on 14<sup>th</sup> August, 2015, the Board of Directors in their meeting held on 14<sup>th</sup> August, 2015 approved the re-appointment of Sh. Sanjeev Arora as the Chairman cum Managing Director of the Company w.e.f 01.04.2016 for the term of 5 years subject to approval of Shareholders in the forthcoming Annual General Meeting. The terms of conditions of remuneration are detailed in the resolution. The re-appointment and terms and conditions are subject to approval by members of the Company by way of Ordinary Resolution. Hence, the Board recommends the resolution for your approval.

##### **MEMORANDUM OF INTEREST**

None of the Directors or Key Managerial Personnel except Sh. Sanjeev Arora, Chairman cum Managing Director and Sh. Kavya Arora, Executive Director are interested in the resolution. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement and under Companies Act, 2013.

##### **ITEM NO. 6**

As recommended by NRC in its meeting held on 01.04.2015, the Board of Directors of the Company has approved the payment of remuneration to Sh. Kavya Arora Rs. 1,50,000/-per month plus perquisite w.e.f. 1<sup>st</sup> April, 2015 for a remaining period of his tenure, subject to approval of members of the Company.



### Minimum Remuneration

In the absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Sh. Kavya Arora.

Pursuant to provisions of Section 197 read with Schedule V of the Companies Act, 2013, the approval of members is required to be obtained for payment of remuneration to Sh. Kavya Arora w.e.f 1<sup>st</sup> April, 2015 as proposed in the resolution.

The above may be treated as an abstract of the terms and conditions of the appointment of Sh. Kavya Arora pursuant to Section 197 of the Companies Act, 2013.

### ITEM NO.7

As recommended by the Nomination and Remuneration Committee in its meeting held on 14<sup>th</sup> August, 2015, the Board of Directors in their meeting held on 14<sup>th</sup> August, 2015 approved the re-appointment of Sh. Roop Kishore Fatehpuriya as the Executive Director of the Company w.e.f 01.09.2015 for the term of 5 years subject to approval of shareholders in the forthcoming Annual General Meeting. The terms of conditions of remuneration are detailed in the resolution. The re-appointment and terms and conditions are subject to approval by members of the Company by way of Ordinary Resolution. Hence, the Board recommends the resolution for your approval.

### MEMORANDUM OF INTEREST

None of the Directors or Key Managerial Personnel are interested in the resolution. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement and under Companies Act, 2013.

### Details of directors seeking appointment/ re- appointment at the

#### Forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Roop Kishore Fatehpuriya
DIN	00887774
Date of Birth	02-09-1953
Date of Appointment	04-09-2006
Expertise in specific functional area	He has more than 35 years of experience in trade and industry.
No. of Shares in the Company	—
Qualification	Graduate
Directorships held in other companies	H B Fibres Limited
Position held in Mandatory committees of other companies	Nil
Relationship with other Directors	Not related to any director of the Company

Name of the Director	Sanjeev Arora
DIN	00077748
Date of Birth	18.09.1963
Date of Appointment	25.10.2004
Expertise in specific functional area	He has more than 30 years of experience in trade and industry.
No. of Shares in the Company	2,383,464
Qualification	Graduate
Directorships held in other companies	1. Ritesh Impex Pvt. Ltd. 2. Ritesh Spinning Mills Limited 3. HB Fibres Limited 4. Femella Fashions Limited 5. KP Advisors (Realty) Private Limited. 6. Kamal Oil and Allied Industries Ltd. 7. Arisudana Industries Limited.
Position held in Mandatory committees of other companies	Nil
Relationship with other Directors	Sh. Kavya Arora (Son)

**By Order of the Board  
For Ritesh Properties and Industries Limited**

Place : New Delhi  
Date: 14.08.2015

sd/-  
(Sanjeev Arora)  
Chairman-cum-Managing Director  
DIN: 00077748  
1108/1, Mukand Lal Road,  
Tagore Nagar, Civil Lines  
Ludhiana- 141001

## **DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting the 28<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2015.

### **FINANCIAL RESULTS**

	<b>Amount (Rs. In Lacs)</b>	
<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
Operating and other income	<b>887.24</b>	1119.74
Profit/(Loss) before Depreciation	<b>229.04</b>	250.49
Less: Depreciation	<b>28.00</b>	21.29
Profit/(Loss) for the year before Tax	<b>201.04</b>	229.20
Less: Provision for taxation	-	(21.50)
Profit/(Loss) after Tax	<b>201.04</b>	207.70

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review your company's operating and other income was of Rs. 887.24 lacs (previous year Rs. 1119.74). The company has earned a profit of Rs. 201.04 lacs (Previous year profit of Rs 207.70) during the period under review.

### **INFORMATION ON STATE OF COMPANY'S AFFAIR**

The Company has started its journey in the year 1987 with manufacturing, cultivating, buying, selling, procuring or dealing in agricultural products. The Company has diversified its business in due course of time and entered in the real estate business, and presently Company is mainly engaged in real estate activities.

### **DIVIDEND**

In the absence of adequate profits during the year under review your directors do not recommended any dividend to the share holders.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 does not apply.

### **TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013**

Profit of current year has been transferred to the Reserves & Surplus

### **CHANGES IN SHARE CAPITAL**

There is no change in the Share capital of the company during the Financial Year 2014-15.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has given loans or guarantees covered under Section 186 of the Companies Act, 2013. The details of the loans & advances given by Company are annexed in "Annexure I".

### **AUDITORS**

#### **i) Statutory Auditors**

At the Annual General Meeting held on 25<sup>th</sup> September, 2014, M/s S.M. Mathur & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company to hold the office till the conclusion 32<sup>nd</sup> AGM of the company in terms of provisions of section 139 of the Companies Act, 2013. The Appointment of Statutory Auditors shall be placed for ratification at every general meeting. Accordingly, the appointment

of M/s S.M. Mathur & Co., as Statutory Auditor is placed for ratifications by the members.

#### **ii) Secretarial Auditors**

M/s.B.K Gupta & Associates, Company Secretaries, Ludhiana has been appointed as Secretarial Auditors of the company by board to conduct the secretarial audit for the financial year 2014-15.

#### **iii) Internal Auditor**

M/s Ashok Shashi & Co. Chartered Accountant, has been appointed as an Internal Auditor of the company under section 138 of Companies Act, 2013 to conduct internal audit of functions and activities of the company.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Pursuant to Section 197(12) of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company required to disclose information related to remuneration paid during the year. The detailed information in this regard is annexed to this report as "Annexure II".

### **RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Board of Directors of the Company have Adopted related Party transaction policy and same is available on following link <http://riteshindustries.us/related-party-transaction-policy.pdf>.

Further all the necessary details of transaction entered with the related parties as defined under Section 188 of the Companies Act, as defined under Section 2 (76) of the said Act are attached herewith in form No.AOC-2 for your kind perusal and information as "Annexure III".

### **DETAILS AND INFORMATION AS REQUIRED UNDER SECTION 134(3) (v) OF THE COMPANIES, ACT 2013**

No material changes and commitments have taken place between the end of the financial year of the Company to which balance sheet relates and date of report, which affects the financial position of the Company.

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

The information pertaining to conservation of energy, technology absorption and Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as "Annexure IV".

### **EXTRACT OF ANNUAL RETURN IN FORM MGT-9 AS PER THE REQUIREMENT OF SECTION 92(3), SECTION 134(3)(a) AND RULE 11 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014**

In compliance with the above said provisions the extract of the Annual Return have been annexed with the Board's report in form MGT-9 as Annexure-V.

### **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL**

1. In accordance with provisions of Articles of Association of the Company, Mr. Sanjeev Arora, Chairman-cum-Managing Director of your Company, retires by rotation

at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommended his appointment for consideration of the members at the forthcoming Annual General Meeting.

2. Since the tenure of appointment of Mr. Roop Kishore Fathepuriya expires on 31.08.2015, the Board recommends his re-appointment w.e.f.01.09.2015 for a further term of five years.
3. Since the tenure of appointment of Mr. Sanjeev Arora expires on 31.03.2016, the Board recommends his re-appointment w.e.f.01.04.2016 for a further term of five years.

**DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013**

Presently the Company have three Independent Directors namely Sh. Surendar Kumar Sood, Sh. Gurpreet Singh Brar & Ms. Shweta Sehgal who have given declaration that they meet the eligible criteria of independence as provided in sub-section (6) of the Companies Act, 2013.

**STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**NUMBER OF MEETINGS**

During the Financial year 2014-2015 under review, 8 meetings of Board of Directors and 4 Meetings of Audit Committee of the Company were held. Detailed information about the meetings is given in corporate governance report which forms the part of Annual Report.

**RISK MANAGEMENT POLICY**

The Board of Directors of your Company in its meeting held on 14.11.2014 adopted the Risks Management Policy. The policy establishes the process for the management of risk faced by Ritesh Properties and Industries Limited. The aim of risk management is to maximize opportunities in all activities and to minimize adversity. This policy applies to all activities and processes associated with the normal operations of Ritesh Properties and Industries Limited.

The purpose of the Committee is to assist the Board of Directors in fulfilling its responsibilities with regard to enterprise risk management. Further, the Committee strives to assist the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the risk policy. The Board of Directors of the Company have Adopted Risk Management Policy and same is available on following link <http://riteshindustries.us/risk-management-Policy.pdf>.

**EVALUATION BY BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEE AND INDIVIDUAL DIRECTORS WITH REFERENCE TO SECTION 134 (3) (p) OF THE COMPANIES ACT, 2013 AND RULE 8(4) OF THE COMPANIES (ACCOUNTS) RULES 2014 AND CLAUSE 49 OF IV(B) OF THE LISTING AGREEMENT**

Pursuant to the above said provisions of the Companies Act, 2013, Rules thereof and Clause 49 of the Listing

Agreement, the Board has carried out an evaluation of its own performance, directors individually as well as the evaluation of the Committees as per the Criteria laid down in the Nomination Remuneration Evaluation policy. Further the Independent directors have also reviewed the performance of the Non-Independent Directors and Board as a whole including reviewing the performance of the Chairperson of the Company taken into account the views of the Executive Directors and Non Executive Directors vide there separate meeting held on 31.03.2015 at the Registered office of the Company.

**DISCLOSURE ON THE NOMINATION AND REMUNERATION POLICY OF THE COMPANY PURSUANT TO SECTION 134(3) (e) AND SECTION 178(3)**

The Board of Directors of your Company in its meeting held on 14/11/2014 reconstituted Nomination & Remuneration Committee with the requisite terms of the reference as required under Section 178 of the Companies Act, 2013 and other applicable provisions thereof in place of existing Remuneration Committee. The said Committee framed, adopted and recommended "Nomination & Remuneration Evaluation Policy" vide its committee meeting dated 14/11/2014. The said policy is attached with the Board Report as per "Annexure VI"

**AUDIT COMMITTEE**

Audit Committee of the company is reconstituted on 14th November, 2014 with the objectives to monitor, supervise and effective management of company's finance, to ensure effective internal financial controls and risk management systems with high level of transparency and accuracy.

The Audit Committee comprised of Sh. Surendar Kumar Sood (Chairman), Sh. Roop Kishore Fathepuriya (Member), Sh. Gurpreet Singh Brar (Member). The composition of the Audit Committee consists of independent Directors viz., Sh. Surendar Kumar Sood and Sh. Gurpreet Singh Brar who form the majority. The Committee met four times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report.

**DISCLOSURE IN RELATION TO VIGIL MECHANISM**

The Board of Directors of the Company in its meeting held on 14/11/2014 adopted the Vigil Mechanism Policy in compliance of Companies Act, 2013. The Policy is formulated to provide opportunity to employees and directors to report to management concerns about unethical behavior, actual or suspected fraud or violation of the Code of conduct or policy. The mechanism provides for adequate safeguards against victimisation of employees and directors who express their concerns and also provides for direct access to Chairman/ Chairman of Audit Committee in exceptional cases. The policy is applicable to all employee and directors of the Company.

The policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board may be accessed on the Company's website at the link: <http://www.riteshindustries.us/Whistle-Blower-Policy.pdf>

**CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement, the report on Corporate Governance together with Auditor's Certificate

on compliance with this regard and Managing Director's declaration in this regarding compliance of code of conduct by Board Members and Senior Management Personnel is attached and forms part of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**  
Management Discussion and Analysis Report as required under the Listing Agreements with the Stock Exchange is annexed and forms part of this Annual Report.

**SECRETARIAL AUDIT REPORT**

Secretarial Audit Report in format MR-3 by M/s. B.K Gupta & Associates, Company Secretaries, Ludhiana, Secretarial Auditors is annexed with the Board Report as "Annexure VII".

**SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

As on 31<sup>st</sup> March, 2015 the Company have two Subsidiaries:-

- i) Femella Fashions Limited
- ii) Catalina Bay USA INC.

The Company has prepared Consolidated Financial Statement in strict compliance with applicable accounting standards and listing agreement(s) executed with the Stock Exchange where the Shares of the Company are listed. In Compliance with the Clause 32 of the Listing Agreement, audited consolidated financial statements form part of this report.

The accounts of the Subsidiary Companies and the related detailed information will be made available to any shareholder of the Holding as well as the Subsidiary Companies seeking such information at any point of time and are also available for inspection by the members of the Company as well as Subsidiary Companies at the registered office of the Company and subsidiaries concerned.

The management of the Company has decided to sell off its entire holding of Femella Fashions Limited & Catalina Bay USA to the Directors and their relatives on 22<sup>nd</sup> April, 2015. Consequently as on date the Company does not have any Subsidiary Companies.

Further, the information regarding subsidiary/associate companies is provided in AOC-1 annexed herewith as "Annexure-VIII".

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) They had 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 and loss of the company for that period;
- (c) They had 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) They had prepared the annual accounts on a going concern basis; and
- (e) They had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**STATUTORY AUDITOR'S REPORT**

There are no qualifications in the Statutory Auditor's Report.

**DETAILS OF THE STOCK EXCHANGES WHERE THE SHARE ARE LISTED**

The Company's Equity Shares are presently listed at the following Stock Exchange:

- i) Bombay Stock Exchange Limited (BSE)

The Company has paid Annual Listing Fee to Bombay Stock Exchange Limited (BSE).

**GENERAL DISCLOSURE**

Your Director state that No Disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under Review

1. Details relating to Deposits covered under Chapter V of the Act
2. Issue of Equity Shares with Differential right, as to dividend, voting or otherwise
3. Issue of shares with including sweat equity shares to employees of the company under any scheme
4. No significant or Material order were passed by the regulators or courts or tribunal which impact the going concern states and company's operation in future, your director further state that during the year under review, there were no case filed pursuant to sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013.

**ACKNOWLEDMENT**

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from sub-brokers, business associates, vendors, bankers, financial institutions, investors, stakeholders, registrar and share transfer agent, other business affiliates and media.

The Board places on record its sincere appreciation towards the Company's valued customers for the support and confidence reposed by them in the organization and the stakeholders for their continued co-operation and support to the company and look forward to the continuance of this supportive relationship in future.

Your Directors also places on record their deep sense of appreciation for the devoted services of the employees during the period under review.

For and on Behalf of the Board  
**For Ritesh Properties and Industries Limited**

Place : New Delhi  
Date: 14.08.2015

sd/-  
(Sanjeev Arora)  
Chairman-cum-Managing Director  
DIN: 00077748  
1108/1, Tagore Nagar, Civil Lines  
Ludhiana- 141001



### Annexure - I

#### Details of Loans & Advances made by Company:-

Sr. No	Name of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the receiver
1.	Femella Fashions Ltd	17,58,04,909.09	Business Purpose
2.	Catalina Bay USA	3,14,80,405	Business Purpose

### Annexure - II

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:**

Median remuneration of all employees of the Company for the Financial Year 2014-15	Rs. 1,70,130
The Percentage increase in the median remuneration of employees in the Financial Year	10%
The number of permanent employees on the roll of the Company as on 31 <sup>st</sup> March, 2015	13

Name of Director/ KMP	Remuneration of Director/KMP for Financial Year 2014-15	Ratio of Remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2014-15	Comparison of the remuneration of the KMP against the performance of the Company
<b>Independent Directors</b>				
Sh.Surendar Kumar Sood	Nil	N.A	Nil	Nil
Sh. Gurpreet Singh Brar	Nil	N.A	Nil	Nil
Smt. Shweta Sehga	Nil	N.A	Nil	Nil
<b>Executive Directors/KMP</b>				
Sh.Sanjeev Arora Chairman Cum Managing Director	30,00,000	17.63	N.A	Profit before tax decreased by 12.28% and profit after tax decreased by 3.20%
Sh.Roop Kishore Fathepuriya Executive Director	14,05,320	8.26	10.00	
Sh. Kavya Arora Executive Director and CFO	12,00,000	7.05	100	
Himani Khanna# Company Secretary	1,45,237	0.85	N.A	

# Himani Khanna, Company Secretary, is appointed from 25.08.2014 by Board of Directors in their meeting held on 14.08.2014

**(2) Relationship between average increase in remuneration and company performance:**

The profit after tax for the year has decreased by 3.20% and whereas median remuneration has increased by 10%. The average increase in median remuneration increased whereas the profit after tax declined.

**(3) Comparison of the remuneration of the KMP against the performance of the Company:-**

The total remuneration of KMP increased by 4.84% from Rs. 30,00,000 in 2013-14 to Rs.31,45,237 in 2014-15 whereas the profit after tax decreased by 3.20% to Rs. 2,01,04,249.94 in 2014-15 (Rs. 2,07,69,860.92 in 2013-

14).

- (4) **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer: :**

Sr No	Description	Amount
1.	Market Cap variation	
	Mcap as on 31 <sup>st</sup> March, 2015	9,15,68,568
	Mcap as on 31 <sup>st</sup> March, 2014	14,43,07,427
	Variation in Mcap in FY 2015 (%)	(36.55)
2	Price-to-Earnings Ratio	
	- PE as on 31 <sup>st</sup> March, 2015 (Mkt Price/EPS)	4.57
	- PE as on 31 <sup>st</sup> March, 2014 (Mkt Price/EPS)	6.96
	Variation in PE in FY 2015 (%)	(34.34)
3	Offer	
	- IPO price per share	10.00
	- Market price as on 31 <sup>st</sup> March, 2015	7.9
	% decrease from last IPO	21

- (5) Average percentage decrease made in the salaries of employees other than the managerial personnel in the last financial year 2014-15 was 18.20% whereas the increase in the managerial remuneration for the same financial year was 11.03%
- (6) The key parameters for any variable component, if any, of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (7) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Not Applicable, since no employee of the Company receives remuneration in excess of highest paid director.
- (8) **It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company.**

For and on Behalf of the Board  
**For Ritesh Properties and Industries Limited**

**Place : New Delhi**  
**Date: 14.08.2015**

**sd/-**  
**(Sanjeev Arora)**  
**Chairman-cum-Managing Director**  
**DIN: 00077748**  
**1108/1, Mukand Lal Road,**  
**Tagore Nagar, Civil Lines**  
**Ludhiana- 141001**

**Annexure-III**

**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.

**1. Details of Material contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Guneet Arora, W/o Sh. Kavya Arora, Executive Director and Daughter in law of Sh. Sanjeev Arora, Chairman-cum-Managing Director
b)	Nature of contracts/arrangements/transaction	Architecture Services
c)	Duration of the contracts/arrangements/transaction	One time
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Professional Service Rs. 5,00,000/-
e)	Date of approval by the Board	14.11.2014 & 14.02.2015
f)	Amount paid as advances, if any	N.A

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sh. Sanjeev Arora, Chairman-cum-Managing Director of the Company
b)	Nature of contracts/arrangements/transaction	Rent Recovered
c)	Duration of the contracts/arrangements/transaction	Three years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 4,50,000/-
e)	Date of approval by the Board	15.07.2014
f)	Amount paid as advances, if any	N.A

**Annexure - IV**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**I. CONSERVATION OF ENERGY**

The Company is implementing the project of Hampton Court Business Park at Chandigarh Road, Ludhiana. Therefore, the information regarding energy conservation is not applicable as the Company has already closed its manufacturing units and now is into Real Estate Sector.

**II. TECHNOLOGY ABSORPTION**

Since the Company is not carrying out any manufacturing activities, therefore, this clause is not applicable on the Company.

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- Activities relating to exports, initiatives taken to increase export markets for products and services and export plans. The Company is carrying on real estate activities; hence this clause is not applicable.
- Total Foreign Exchange used and earned:

(Amount in Rs.)

Particulars	2014-15	2013-14
Used	83,189	3,58,977
Earned	-	-

**For and on Behalf of the Board  
For Ritesh Properties and Industries Limited**

**Place : New Delhi  
Date: 14.08.2015**

**sd/-  
(Sanjeev Arora)  
Chairman-cum-Managing Director  
DIN: 00077748  
1108/1, Mukand Road  
Tagore Nagar, Civil Lines  
Ludhiana- 141001**

**Form MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the Financial Year ended 31<sup>st</sup> March, 2015**

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of Companies (Management & Administrations) Rules, 2014)

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L74899DL1987PLC027050
2	Registration Date	19/02/1987
3	Name of the Company	Ritesh Properties and Industries Limited
4	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5	Address of the Registered office & Contact Details	11/5B, Pusa Road, New Delhi-110060 Ph: 0161-2174104/5
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any. Contact Details: Tel: 011 64732681-88	Skyline Financial Services Private Limited, D-153A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi 110020, PHONE: 011 64732681-88 www.skylinerta.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Real Estate Activities	8201	99.79%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:**

S. No.	Name & Address of the company	CIN/GLN	Holding/subsidiary/ Associate	% of Share held	Applicable Section
1	Femella Fashions Limited	U17121DL2007PLC165380	Subsidiary	100%	Section 2(87) of Companies Act, 2013
2	Catalina Bay USA Inc		Subsidiary		Section 2(87) of Companies Act, 2013
3	Ritesh Impex Private Limited	U51311DL1994PTC269851	Subsidiary*	64.81%	Section 2(87) of Companies Act, 2013

\* Femella Fashions Limited is Wholly Owned Subsidiary of Ritesh Properties and Industries Limited and Femella Fashions Limited is a holding majority of shares of Ritesh Impex Private Limited, consequently pursuant to section 2 (87) of Companies Act, 2013, Ritesh Impex Private Limited is a subsidiary of Ritesh Properties and Industries Limited.

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoter and Promoter Group</b>									
<b>1. Indian</b>									
a) Individual/ HUF									
	4074632	--	4074632	35.15	3867750	--	3867750	33.37	(1.78)



b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies. Corp.	364401	--	364401	3.14	464401	--	464401	4.01	0.87
e) Banks/Fl	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total</b>									
<b>(A) (1) :-</b>	<b>4439033</b>	<b>--</b>	<b>4439033</b>	<b>38.29</b>	<b>4332151</b>	<b>--</b>	<b>4332151</b>	<b>37.38</b>	<b>(0.91)</b>
(2) Foreign									
a) NRIs-									
Individuals	--	--	--	--	--	--	--	--	--
b) Other-									
Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp	--	--	--	--	--	--	--	--	--
d) Banks/Fl	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total</b>									
<b>(A) (2) :-</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total shareholding of Promoter</b>									
<b>(A)=(A)(1)+(A)(2)</b>	<b>4439033</b>	<b>--</b>	<b>4439033</b>	<b>38.29</b>	<b>4332151</b>	<b>--</b>	<b>4332151</b>	<b>37.38</b>	<b>(0.91)</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a) Mutual Funds	--	200	200	--	--	200	200	--	--
b) Banks/Fl	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt	--	--	--	--	--	--	--	--	--
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Other (Specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1)</b>	<b>--</b>	<b>200</b>	<b>200</b>	<b>--</b>	<b>--</b>	<b>200</b>	<b>200</b>	<b>--</b>	<b>--</b>
<b>2. Non-Institution</b>									
a) Bodies Corp.									
i) Indian	2864349	11400	2875749	24.81	2573847	11400	2585247	22.30	(2.51)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individual									
i) Individual									
Shareholders Holding nominal Share capital Upto Rs.1 Lakh	1708907	1939448	3648355	31.48	1707508	1923448	3630956	31.32	(0.16)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	301172	17100	318272	2.75	741531	17100	758631	6.55	3.8
c) Other (NRI, HUF, & Clearing Members)	308549	800	309349	2.67	282973	800	283773	2.45	(0.22)
<b>Sub-total (B) (2):-</b>	<b>5182977</b>	<b>1968748</b>	<b>7151725</b>	<b>61.71</b>	<b>5305859</b>	<b>1952748</b>	<b>7258607</b>	<b>62.62</b>	<b>0.91</b>

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Public Shareholding</b> <b>(B)=(B)(1)+(B)(2)</b>	<b>5182977</b>	<b>1968948</b>	<b>7151925</b>	<b>61.71</b>	<b>5305859</b>	<b>1952948</b>	<b>7258807</b>	<b>62.62</b>	<b>0.91</b>
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>9622010</b>	<b>1968948</b>	<b>11590958</b>	<b>100</b>	<b>9638010</b>	<b>1952948</b>	<b>11590958</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

SN	Shareholder's Name	Shareholding at the beginning of the Year (as on 1 <sup>st</sup> - April-2014)			Shareholding at the end of year (as on 31 <sup>st</sup> -March-2015)			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbers to total share	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1.	Sanjeev Arora	2590346	22.35	48.88	2383464	20.56	--	(1.79)
2.	Kavya Arora	1016334	8.77	--	1016334	8.77	--	-
3.	Sandhya Arora	239300	2.06	--	239300	2.06	--	-
4.	Ketki Arora	228652	1.97	--	228652	1.97	--	-
5.	Ritesh Spinning Mills	364401	3.14	--	464401	4.01	--	0.87
	<b>Total</b>	<b>4439033</b>	<b>38.29</b>	<b>48.88</b>	<b>4332151</b>	<b>37.38</b>	<b>--</b>	<b>(0.91)</b>

**(iii) Change in Promoter's Shareholding**

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>1.</b>	<b>Sanjeev Arora</b>				
	At the beginning of the year	2590346	22.35	-	-
	Increase/decrease in Promoters shareholding during the year	(206882)	(1.79)	2383464	20.56
	The reason of increase Transfer /decrease e.g (Allotment/Transfer/ Bonus/Sweat equity etc.)	Transfer			
	At the End of the year			2383464	20.56

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
2.	Kavya Arora				
	At the beginning of the year	1016334	8.78	–	–
	At the End of the year	--	--	1016334	8.78

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
3.	Sandhya Arora				
	At the beginning of the year	239300	2.06	–	–
	At the End of the year	--	--	239300	2.06

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
4.	Ketki Arora				
	At the beginning of the year	228652	1.97	–	–
	At the End of the year	--	--	228652	1.97

SN	Particulars	Shareholding at the beginning of year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
5.	Ritesh Spinning Mills				
	At the beginning of the year	364401	3.14	-	-
	Date Reason				
	21.11.2014 Purchase	100000	0.86	464401	4.01
	At the End of the year			464401	4.01

(iv) Shareholding pattern of top ten Shareholders/other than Directors, Promoters and holders of GDR'S and ADR'S

SN	Particulars	Shareholding at the beginning of year ( as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>1.</b>	<b>Bhagyanagar India Limited</b>				
	At the beginning of the year	1050002	9.06	--	--
	Date Reason				
	16.05.2014 Sale	(29168)	(0.25)	1020834	8.81
	30.05.2014 Sale	(14582)	(0.13)	1006252	8.68
	25.07.2014 Sale	(29168)	(0.25)	977084	8.43
	01.08.2014 Sale	(14582)	(0.13)	962502	8.30
	22.08.2014 Sale	(14582)	(0.13)	947920	8.18
	21.11.2014 Sale	(29168)	(0.25)	918752	7.93
	23.01.2015 Sale	(14582)	(0.13)	904170	7.80
	30.01.2015 Sale	(8752)	(0.08)	895418	7.73
	27.03.2015 Sale	(43750)	(0.38)	851668	7.35
	At the End of the year (or on the date of separation, if separated During the year)	--	--	851668	7.35

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>2.</b>	<b>Times Publishing House Limited</b>				
	At the beginning of the year	-	-	--	--
	Date Reason				
	22.08.2014 Purchase	830833	7.17	830833	7.17
	At the End of the year (or on the date of separation, if separated During the year)	--	--	830833	7.17

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>3.</b>	<b>Transworld Securities Limited</b>				
	At the beginning of the year	290246	2.50	--	--
	Date Reason				
	04.04.2014 Sale	(242)	(0.00)	290004	2.50
	11.04.2014 Purchase	2050	0.02	292054	2.52
	18.04.2014 Purchase	1253	0.01	293307	2.53



25.04.2014	Sale	(1828)	(0.02)	291479	2.51
02.05.2014	Purchase	2256	0.02	293735	2.53
09.05.2014	Purchase	3369	0.03	297104	2.56
16.05.2014	Purchase	3275	0.03	300379	2.59
23.05.2014	Purchase	8576	0.07	308955	2.67
30.05.2014	Sale	(2122)	(0.02)	306833	2.65
06.06.2014	Purchase	3343	0.03	310176	2.68
13.06.2014	Sale	(406)	(0.00)	309770	2.67
20.06.2014	Purchase	424	0.00	310194	2.68
30.06.2014	Purchase	1821	0.02	312015	2.69
04.07.2014	Sale	(336)	(0.00)	311679	2.69
11.07.2014	Sale	(3500)	(0.03)	308179	2.66
18.07.2014	Purchase	1233	0.01	309412	2.67
25.07.2014	Purchase	5952	0.05	315364	2.72
01.08.2014	Purchase	561	0.00	315925	2.73
08.08.2014	Purchase	3026	0.03	318951	2.75
15.08.2014	Sale	(1113)	(0.01)	317838	2.74
22.08.2014	Purchase	463	0.00	318301	2.7
29.08.2014	Purchase	2616	0.02	320917	2.7
05.09.2014	Purchase	1358	0.00	322275	2.78
12.09.2014	Sale	(2377)	(0.02)	319898	2.76
19.09.2014	Purchase	1107	0.01	321005	2.77
30.09.2014	Purchase	1117	0.01	322122	2.78
03.10.2014	Purchase	1131	0.01	323253	2.79
10.10.2014	Sale	(2363)	(0.02)	320890	2.77
17.10.2014	Sale	(327)	(0.00)	320563	2.77
24.10.2014	Sale	(4788)	(0.04)	315775	2.72
31.10.2014	Sale	(1234)	(0.01)	314541	2.71
07.11.2014	Purchase	200	0.00	314741	2.72
14.11.2014	Purchase	385	0.00	315126	2.72
21.11.2014	Purchase	2689	0.02	317815	2.74
28.11.2014	Purchase	1566	0.01	319381	2.76
05.12.2014	Purchase	4367	0.04	323748	2.79
12.12.2014	Purchase	357	0.00	324105	2.80
19.12.2014	Sale	(1721)	(0.01)	322384	2.78
31.12.2014	Sale	(6079)	(0.05)	316305	2.73
02.01.2015	Purchase	540	0.00	316845	2.73
09.01.2015	Sale	(2976)	(0.03)	313869	2.71
16.01.2015	Purchase	835	0.01	314704	2.7
23.01.2015	Sale	(200)	(0.00)	314504	2.71
06.02.2015	Sale	(1000)	(0.01)	313504	2.70
13.02.2015	Purchase	566	0.00	314070	2.71
20.02.2015	Sale	(793)	(0.01)	313277	2.70
27.02.2015	Purchase	50	0.00	313327	2.70
06.03.2015	Purchase	1333	0.01	314660	2.71
13.03.2015	Sale	(390)	(0.00)	314270	2.71
20.03.2015	Purchase	250	0.00	314520	2.71
27.03.2015	Purchase	3543	0.03	318063	2.74
31.03.2015	Purchase	2632	0.02	320695	2.77
At the End of the year (or on the date of separation, if separated During the year)					
		--	--	320695	2.77

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
4.	<b>Securocrop Securities (I) Private Limited</b>				
	At the beginning of the year	1,25,000	1.08	--	--
	At the End of the year (or on the date of separation, if separated During the year)	--	--	1,25,000	1.08
SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
5.	<b>Sanjay Bhausaheb Dhole</b>				
	At the beginning of the year	1,18,755	1.02	--	--
	At the End of the year (or on the date of separation, if separated During the year)	--	--	1,18,755	1.02
SN	Particulars	Shareholding at the beginning of year (as on 01.04.2015)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
6.	<b>Kruti Capital Services Pvt. Ltd.</b>				
	At the beginning of the year	75,000	0.65	--	--
	At the End of the year (or on the date of separation, if separated During the year)	--	--	75,000	0.65
SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
7.	<b>Mandava Ravindra</b>				
	At the beginning of the year	68,881	0.59	--	--
	Date Reason				
	11.07.2014 Purchase	2660	0.02	71,541	0.62
	At the end of the year ( or on the date of Sepration, if sepreted during the year	-	-	71,541	0.62

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>8.</b>	<b>Gopi Krishna Peddi</b>				
	At the beginning of the year	65,487	0.56	--	—
	At the End of the year (or on the date of separation, if separated During the year)				
		—	-	65,487	0.56

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>9.</b>	<b>U Veerendra Kumar</b>				
	At the beginning of the year	56,621	0.49	--	—
	At the End of the year (or on the date of separation, if separated During the year)				
		—	-	56,621	0.49

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>10.</b>	<b>Ashok Kumar Gupta</b>				
	At the beginning of the year	55,273	0.48	--	—
	At the End of the year (or on the date of separation, if separated During the year)				
		—	-	55,273	0.48

**(v) Shareholding of Directors and Key Managerial Personnel**

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
	Name & Designation	No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>1.</b>	<b>Sanjeev Arora</b>				
	At the beginning of the year	2590346	22.35	-	-
	Increase/decrease in Promoters shareholding during the year	(206882)	(1.79)	2383464	20.56
	The reason of increase Transfer /decrease e.g (Allotment/Transfer/ Bonus/Sweat equity etc.)	Transfer			
	At the End of the year			2383464	20.56

SN	Particulars	Shareholding at the beginning of year (as on 01.04.2014)		Cumulative Shareholding during the year (as on 31.03.2015)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
<b>2.</b>	<b>Kavya Arora</b>				
	At the beginning of the year	228652	1.97	--	--
	At the End of the year (or on the date of separation, if separated During the year)				
		-	-	228652	1.97

**(VI) INDEBTEDNESS**

**Indebtedness of the Company including interest/outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1921688.78	140037441.37	Nil	141959130.08
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>1921688.78</b>	<b>140037441.37</b>	<b>Nil</b>	<b>141959130.08</b>
Change in Indebtedness during the financial year				
Addition	2823800.00	9110000.00	Nil	11933800.00
Reduction	637139.03	118905219.30	Nil	19542358.33
<b>Net Change</b>	<b>2186660.97</b>	<b>(109795219.3)</b>	<b>Nil</b>	<b>(107608558.33)</b>



Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	4108349.75	30242222.00	Nil	34350571.75
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>4108349.75</b>	<b>30242222.00</b>	<b>Nil</b>	<b>34350571.75</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/MTD/ Manager			Total Amount
		Sanjeev Arora Chairman-cum- Managing Director	Roop Kishore Fathepuriya Executive Director	Kavya Arora E.D & CFO	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	30,00,000	14,05,320	12,00,000	56,05,320
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	-as % of profit -others, specify				
5.	Others, please specify	-	-	-	-
	Total (A)	30,00,000	14,05,320	12,00,000	56,05,320
	Ceiling as per the Act				42,00,000*

\* Individual Limit is Rs. 42 Lacs as per schedule-V as per Companies Act, 2013

### B. Remuneration to other directors.

SN	Particulars of Remuneration	Name of Director			Total Amount
		Surender Kumar Sood	Gurpreet Singh Brar	Shweta* Sehgal	
1.	Independent Directors • Fee for attending board/Committee meetings • Commission • Others, Please specify	29,000	40,000	-	69,000
	<b>Total (1)</b>	<b>29,000</b>	<b>40,000</b>	<b>-</b>	<b>69,000</b>
	Other Non Executive Directors • Fee for attending board/Committee meetings • Commission • Others, Please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)+(1)+(2)	29,000	40,000	-	69,000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	42,00,000

# Appointment w.e.f:- 25.09.2014

\* Individual Limit is Rs. 42 Lacs as per schedule-V as per Companies Act, 2013

**C. Remuneration to key managerial personnel other than MD/MANAGER/WT**

SN	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		CEO	COMPANY SECRETARY	CFO	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	1,45,237	12,00,000	13,45,237
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	1,45,237	12,00,000	13,45,237

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:-**

Type	Section of the Companies Act,	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on Behalf of the Board  
**For Ritesh Properties and Industries Limited**

**Place : New Delhi**  
**Date: 14.08.2015**

sd/-  
(Sanjeev Arora)  
Chairman-cum-Managing Director  
DIN: 00077748  
1108/1, Tagore Nagar, Civil Lines  
Ludhiana- 141001

**ANNEXURE-VI  
NOMINATION AND REMUNERATION POLICY  
OF**

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

(U/s 178 of the Companies Act, 2013 and Clause 49 (IV) of the Amended Listing Agreement)

**1. PREFACE:**

In pursuance of the Ritesh Properties and Industries Limited ("RPIL") policy to consider human resources as its invaluable assets, to pay appropriate remuneration to all Directors, Key Managerial Personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the amended Listing Agreement, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 14th November, 2014.

In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board reconstituted and changed the name of "Remuneration Committee" to "Nomination and Remuneration Committee" on 14th November, 2014

**1. OBJECTIVES:**

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- c) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- d) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage

**2. DEFINITIONS:**

- (a) Key Managerial Personnel:
  - (i) Managing Director;
  - (ii) Company Secretary;
  - (iii) Chief Financial Officer; and
  - (iv) Such other officer as may be prescribed.
- (b) Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the Executive Directors including all functional heads.

**3. APPLICABILITY:**

**The Policy is applicable to:**

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

**4. ROLE OF COMMITTEE:**

The role of the Committee, inter alia, will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board on policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan

**5. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 non-executive directors, out of which half shall be independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**6. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**7. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at such regular intervals as may be required.

**8. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**9. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee

**10. VOTING:**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote

**11. NOMINATION DUTIES:**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the provisions provided under the Companies Act, 2013;
- c) Determining the appropriate size, diversity and composition of the Board; Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- d) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- e) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- f) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- g) Due to reasons for any disqualification mentioned in the Companies Act, 2013 read with rules made there under, recommending, to the Board with

reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

- h) Delegating any of its powers to one or more of its members of the Committee;
- i) Recommend any necessary changes in this policy to the Board.
- j) Considering any other matters as may be required by the Board.

**12. REMUNERATION DUTIES:**

The duties of the Committee in relation to remuneration matters include:

- a) To consider and determine the remuneration based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.
- b) To approve the remuneration of the Senior Management including key managerial personnel of the Company.
- c) To delegate any of its powers to one or more of its members of the Committee.
- d) To consider any other matters as may be required by the Board;

**13. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings

**14. EFFECTIVE DATE & AMENDMENTS:**

This policy will be effective from 14<sup>th</sup> November, 2014 and may be amended subject to the approval of Board of Directors.

**By Order of the Board  
For Ritesh Properties and Industries Limited**

sd/-  
(Sanjeev Arora)  
Place : New Delhi  
Date: 14.08.2015 Chairman-cum-Managing Director  
DIN: 00077748  
1108/1, Mukand Lal Road,  
Tagore Nagar, Civil Lines  
Ludhiana- 141001

## ANNEXURE-VII

### **SECRETARIAL AUDIT REPORT (FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015)**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,

The Members

Ritesh Properties and Industries Limited  
11/5B, Pusa Road,  
New Delhi, Delhi-110060

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and adherence to good corporate practices by Ritesh Properties and Industries Limited (hereinafter called company). Secretarial Audit was conducted in a manner that provides me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Ritesh Properties and Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in my/our opinion, the Company has, during the audit covering the financial year ended on 31<sup>st</sup> March, 2015, complied with the provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Ritesh Properties and Industries Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

I) The Companies Act, 2013 (the Act) and rules made

thereunder;

- ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable during the Audit Period;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not Applicable during the Audit Period;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable during the Audit Period;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable during the Audit Period; and
  - g) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998- Not Applicable during the Audit Period;



vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified during the audit period hence not applicable on company).

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Director 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.

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

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of minutes.

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

**We further report that** during the audit period the company has made the following decisions which are having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

- Company altered its Articles of Association by passing special resolution in their annual general meeting held on 25/09/2014

Date: 14.08.2015

**For B.K. Gupta & Associates**

Place: Ludhiana

Company Secretaries

sd/-

(Bhupesh Gupta)

Partner

FCS-4590

CP-5708

- Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD**

**List of Labour Laws**

The Payment of Gratuity Act, 1972

Employee's State Insurance Act 1948

The Payment of Bonus Act, 1972

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

**List of Environmental Laws**

Water (Prevention and Control of Pollution) Act, 1974

Air (Prevention and Control of Pollution) Act, 1981

**Annexure:-A**

To  
The Members  
Ritesh Properties and Industries Limited,  
11/5B, Pusa Road,  
New Delhi, Delhi-110060

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. 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.

Date: 14.08.2015  
Place: Ludhiana

**For B.K. Gupta & Associates**  
Company Secretaries

sd/-  
(Bhupesh Gupta)  
Partner  
FCS-4590  
CP-5708

## ANNEXURE-VIII

### Form AOC-1

[Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statements of the subsidiaries/joint ventures/ associate companies

#### PART A: Summary of Financial Information of Subsidiaries Companies

Sl. No.	Name of Companies	Reporting period for the subsidiary companies, if different from the holding	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments
					Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs
1.	Femella Fashions Limited	31.03.2015	Rupees	--	150	-697.21	1311.329	1311.329	NIL
2.	Catalina Bay USA Inc	31.03.2015	US DOLLAR	62.27	1.64	-258.51	26.16	26.16	NIL
3.	Ritesh Impex Private Limited	31.03.2015	Rupees	--	1.08	110.67	177.45	177.45	1.90

Sl. No.	Name of Companies	Turnover	Profit Before Taxation	Profit After Taxation	Proposed Dividend	% of share-holding
		Rs. lakhs	Rs. lakhs	Rs. lakhs	Rs. lakhs	
1.	Femella Fashions Limited	1015.68	22.77	22.94	N.A.	100%
2.	Catalina Bay USA Inc	NIL	5.06	5.06	NIL	100%
3.	Ritesh Impex Private Limited	-	(1.45)	(1.45)	Nil	64.18

#### PART B: Joint Venture and Associates

Your Company has no Associates Company/ Joint Ventures.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The real estate sector continues to grow at a scorching pace. With the entering of new global property developers into Indian market during the past few years, India offers a good opportunity in the real estate sector.

Future of real estate sector is very bright as the economy is at a fast pace of growth and lot of investment in this sector is needed. Moreover, with the increase in income level of people and standard of living the demand of housing as well as industrial/commercial sector has increase manifold giving rise in prices.

Due to Increase in competition from other players in the market the margins of the company may be under pressure.

### Financial Performance of the Company

Revenue of the Company is generated from only one segment namely Development of Real Estate. Income of the company has been at Rs. 887.24 lacs. The company has earned profit of Rs. 201.04 lacs.

### OUTLOOK

The real estate sector in India has provided ample opportunity with the liberalization of the economy. With the increased demand of commercial and residential property, the company is confident that the ever-expanding market for real estate shall provide a good business opportunity to the Company to gain its share in the market.

### RISK AND CONCERNS

The Indian Real estate market is still largely unorganized and dominated by a large number of small players. The operations of your company are subject to general business risks and competition in the industry, which can affect the growth of the company.

### INTERNAL CONTROL AND THEIR ADEQUACY

The company has adequate internal control systems and procedures commensurate with the size and nature of business. The Company has proper system of disposal of assets of the company. Significant financial, managerial and operating information is accurate, reliable and is provided timely. All internal policies and statutory guidelines are complied with.

### Material development in Human Resources and Industrial Relation front, including no. of people employed

Industrial relations remained cordial and harmonious during the year under review and there was no working

day loss due to any adverse activities. The company has not employed any new person during the year under review.

### Cautionary statement

Statement in the management discussion and analysis describing the company's objectives, estimates, projections and expectation may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially due to economic conditions effecting demand, supply, prices, change in government policies, tax laws and other incidental factors.

**By Order of the Board**

**For Ritesh Properties and Industries Limited**

sd/-

**(Sanjeev Arora)**  
**Chairman-cum-**

**Managing Director**

**DIN: 00077748**

**1108/1, Mukand Lal Road,**  
**Tagore Nagar, Civil Lines**  
**Ludhiana- 141001.**

**Place : New Delhi**

**Date: 14.08.2015**

## CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of systems, processes and principles which ensure that a Company is governed in the best interest of all stakeholders. It is about promoting fairness, equity, transparency, accountability and respect for laws. It provides a structure that works for the benefit of everyone concerned, by ensuring that the Company adheres to ethical standards, laws and accepted best practices.

The aim of 'Good Corporate Governance' is to manage affairs of the Company in a transparent manner in order to maximize long-term value of the Company for the benefits of its shareholders and all other stakeholders.

### 1. A brief statement on Company's Philosophy on code of Corporate Governance.

This Report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices which ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society.

The Principles of Corporate Governance and Code of Business Principles are the cornerstones of your Company. Your Company believes these principles distinguish a well managed Company from a not so well managed Company. These principles ensure transparency, integrity and accountability which are vital for the long and sustained growth of your Company.

Your Company has been practicing these principles long before these were made mandatory for listed Companies.

### 2. Board of Directors

#### a) Size and composition of the Board

The Company has a strong and broad-based Board consisting of Six Directors with adequate blend of professionals, executive, non-executive and independent Directors. The Composition of the Board of Directors comprises of eminent and distinguished personalities, three of which are executive directors and three non-executive directors. The Company is having an executive Chairman. The details of the composition of the Board, number of Directorships & Committee positions held by each of the Directors are given hereunder:

Name	Designation	Category	No. of Directorships held #	No. of Board Committee Memberships held @	No. of Board Committee Chairmanships held @
Sh Sanjeev Arora	Chairman-cum-Managing Director	Promoter	8	-	1
Sh. Roop Kishore Fatehpuriya	Executive Director	Director	2	2	-
Sh. Surender K. Sood	Director	Independent	1	3	3
Sh. Kavya Arora	Executive Director	Promoter	6	1	-
Sh. Gurpreet Singh Brar	Director	Independent	1	2	-
Smt. Shweta Sehgal	Director	Independent Women	1	1	-

#including Ritesh Properties and Industries Limited @ Board Committee for this purpose includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee (Including Board Committee of Ritesh Properties and Industries Limited).

None of the Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees as required under Clause 49 of the Listing Agreement.

**b) Number of Board Meetings**

During the year under review, Eight Board Meetings were held on the following dates:

Date of Board Meeting	Board Strength	Number of Directors present
May 30, 2014	5	5
July 15, 2014	5	5
August 14, 2014	5	5
October 01, 2014	6	6
November 14, 2014	6	6
January 1, 2015	6	6
February 14, 2015	6	6
March 09, 2015	6	6

The maximum interval between any two meetings was not more than 90 days.

**c) Directors' Attendance Record and directorships held**

The following table gives details of the Directors' Attendance Record at the Board Meetings:

Name of the Director	Number of Board Meetings	
	Held	Attended
Sh Sanjeev Arora	8	8
Sh Surendar K. Sood	8	8
Sh Roop Kishore Fatehpuriya	8	8
Sh Kavya Arora	8	8
Sh. Gurpreet Singh Brar	8	8
Smt. Shweta Sehgal*	8	5

\* Smt. Shweta Sehgal was appointed with effect from 25.09.2014

Sh. Sanjeev Arora, Chairman-Cum-Managing Director and Sh. Roop Kishore Fatehpuriya, Executive Director were present at the Annual General Meeting of the Company held on 25<sup>th</sup> September, 2014 at M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi.

**d) Materially significant related party transactions**

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under paragraph no. 34 of the Notes to the Accounts attached with the financial statements for the year ended March 31<sup>st</sup>, 2015.

The transactions with the related parties are neither materially significant nor they have any potential conflict with the interests of the Company at large. Also there has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by Stock Exchange, SEBI or by any other statutory authority during the period under review.

**e) BOARD COMMITTEES**

The Board has constituted the Audit Committee, the Shareholders'/Investors' Grievance and Share Transfer Committee and Remuneration Committee. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for the

committees. Recommendations/decisions of the committee are submitted to the Board for approval. The quorum for meetings is either two members or one third of the members of the committees, whichever is higher.

**AUDIT COMMITTEE**

The Audit Committee consists of three directors i.e. Sh. Surendar K. Sood (Chairman), Sh. Roop Kishore Fatehpuriya and Sh. Gurpreet Singh Brar.

**The committee met four times during the last year on 30th May 2014, 14th August 2014, 14th November 2014, 14th February 2015 the details of which are as under:**

Director	Number of Meetings	
	Held	Attended
Sh. Surendar K. Sood	4	4
Sh. Gurpreet Singh Brar	4	4
Sh. Roop Kishore Fatehpuriya	4	4

Sitting fees of Rs. 8,000/- was paid during the year for attending meetings of Audit Committee.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee consists of three members Sh. Surendar K. Sood (Chairman), Sh. Roop Kishore Fatehpuriya and Sh. Kavya Arora

Director	Number of Meetings	
	Held	Attended
Sh. Surendar K. Sood	12	12
Sh. Kavya Arora	12	12
Sh. Roop Kishore Fatehpuriya	12	12

Sitting fees of Rs. 6,000/- was paid during the year for attending meetings of Stakeholders Relationship Committee

During the financial year 2014-15, the Company received no complaints.

No investor grievance was pending on March 31, 2015.

**NOMINATION AND REMUNERATION COMMITTEE**

Remuneration Committee was re-constituted on 14.11.2014 and following are the members

1. Ms. Shweta Sehgal
2. Sh. Surendar Kumar Sood
3. Sh. Gurpreet Singh Brar

Further Remuneration Committee meeting was held on 14.08.2014

Sitting Fees of Rs.1,000/- was paid during the year for attending meeting of Nomination & Remuneration Committee

**3) Management**

The Management Discussion and Analysis Report have been included in this Annual Report and include discussion on the matters specified in the Clause 49 of



the Listing Agreement

#### 4) CODE OF CONDUCT

The Board has laid down a code of conduct for all Board members and Senior Management of the Company. All Board members and Senior Management Personnel have complied with the Code of Conduct. Declaration to this effect signed by the Chairman-cum-Managing Director is enclosed with the Annual Report.

#### 5. SHAREHOLDERS

##### a) Disclosures regarding appointment or re-appointment of Directors

According to the Articles of Association of the Company, one third of such of the Directors for the time being are liable to retire by rotation shall retire and, if eligible, offer themselves for re-election at the Annual General Meeting. Accordingly, Sh. Sanjeev Arora retires by rotation in the ensuing Annual General Meeting. The Board has recommended the re-election of Sh. Sanjeev Arora to the shareholders.

##### b) Communication to Shareholders

The quarterly, half yearly and annual results are generally published in The Business Standard Hindi and English Edition.

##### c) Compliance Officer

Ms. Himani Khanna is the Compliance Officer of the Company. She can be contacted for any investors' related matter relating to the Company. Her contact nos. are 0124-2451063 and e-mail ID is [Himani.k@femellafashions.com](mailto:Himani.k@femellafashions.com).

##### d) General Body Meetings

The last three Annual General Meetings were held as per the details given below:

Year	Venue	Time
2013-14	M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi-110003	25 <sup>th</sup> September, 2014 at 11:00 a.m.
2012-2013	M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi-110003	25 <sup>th</sup> September, 2013 at 11:00 a.m.
2011-2012	M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi-110003	28 <sup>th</sup> September, 2012 at 11:00 a.m.

##### e) Postal Ballot

During the year under review, the Company has not passed any resolution through postal ballot.

#### 4. GENERAL SHAREHOLDERS INFORMATION

The following information would be useful to our shareholders:

##### a) Annual General Meeting

Date & Time 29<sup>th</sup> day of September 2015 at 11.00 A.M.

Venue M.L. Bhartia Auditorium, Alliance Francaise De Delhi 72, Lodi Estate, New Delhi.

Financial Year 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015

##### b) Financial Calendar 2014-15 (Tentative)

First Quarter Results August, 2014  
Second Quarter Results November, 2014  
Third Quarter Results February, 2015  
Annual Results May, 2015

##### c) Date of Book Closure:

27<sup>th</sup> day of September, 2015 to 29<sup>th</sup> day of September, 2015 (both days inclusive)

##### d) The shares of the Company are listed on the following Stock Exchanges:

###### Name and Address of Stock Exchanges

The Bombay Stock Exchange Limited, Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

##### e) Registrar & Transfer Agent

Skyline Financial Services Private Limited  
D-153 A, 1st Floor,  
Okhla Industrial Area, Phase-I  
New Delhi- 110020  
Phones: 011-30857575 (10 lines)  
Fax: 011-30857562  
E-mail: [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

##### f) Market price data

Monthly high and low prices of equity shares of Ritesh Properties and Industries Limited at the Stock Exchange, Mumbai (BSE) in comparison to sensx are given hereunder:-

Month	BSE				
	Share Prices		Volume	Sensx	
	High	Low		High	Low
April, 2014	14.52	11.60	339	22,939.31	22,197.51
May, 2014	13.39	9.10	529	25,375.63	22,277.04
June, 2014	12.36	10.21	521	25,725.12	24,270.20
July, 2014	10.90	8.28	500	26,300.17	24,892.00
August, 2014	10.23	8.30	436	26,674.38	25,232.82
September, 2014	10.21	8.27	443	27,354.99	26,220.49
October, 2014	10.49	8.53	379	27,894.32	25,910.77
November, 2014	10.15	8.51	345	28,822.37	27,739.56
December, 2014	10.00	7.18	475	28,809.64	26,469.42
January, 2015	11.09	8.26	629	29,844.16	26,776.12
February, 2015	10.48	7.36	439	29,560.32	28,044.49
March, 2015	11.26	6.51	507	30,024.74	27,248.45

Source : [www.bseindia.com](http://www.bseindia.com)

**g) Share transfers**

Share transfers are done by the Company's Registrar and Share Transfer agents **Skyline Financial Services Private limited**, New Delhi. Share transfers are registered and returned within a period of 15 days from the date of receipt. Stakeholders Relationship Committee met 12 times and 5309 shares were transferred and 16000 shares were de-materialized and Nil shares were re-materialized during the year under review.

**h) Distribution of Shareholding**

83.15% of Equity Shares of the Company are in dematerialized form as on 31<sup>st</sup> March, 2015. The shares of the Company are available for dematerialization with both the depositories i.e. NSDL and CDSL vide ISIN No. INE 299D01014.

**i) Outstanding Convertible Instruments**

The Company has no outstanding convertible instruments

**ii) Shareholding Pattern:**

Shareholding pattern in **Ritesh Properties and Industries Limited** as on March 31<sup>st</sup>, 2014 and March 31<sup>st</sup>, 2015 for the purpose of reporting in the Annual Report of the Company for the year 2014-15 is given as under:

Category	As On 31.03.2015		As On 31.03.2014	
	No. of Equity Shares	%	No. of Equity Shares	%
Promoter & Investors	43,32,151	37.38	44,39,033	38.30
Mutual Funds/ UTI	200	0.00	200	-
Body Corporate	25,85,247	22.30	28,75,749	24.81
NRIs	1,25,955	1.09	1,24,965	1.08
Others	45,47,405	39.23	41,51,011	35.81
Foreign Institutional Investors	-	-	-	-

**ii) Distribution Schedule:**

Shareholding of Nominal value of each share/unit Rs 10	Shareholders		No. of Shares held	
	Number	% age	Numbers	% age
Upto 500	16194.00	94.85	2422923.00	20.90
501 to 1000	443.00	2.59	370394.00	3.20
1001 to 2000	210.00	1.23	322501.00	2.78
2001 to 3000	58.00	0.34	143561.00	1.24
3001 to 4000	28.00	0.16	98411.00	0.85
4001 to 5000	33.00	0.19	157353.00	1.36
5001 to 10000	55.00	0.32	382452.00	3.30
10001 And Above	52.00	0.32	7693363.00	66.37
Total	17073.00	100.00	11590958.00	100.00

**g) Address for Correspondence**

Ritesh Properties and Industries Limited,  
Secretarial Department,  
11/5B, Pusa Road, New Delhi  
Phone Nos. 011-25862110  
Fax No. 011-25862111  
Pusa Road, New Delhi-110006

**By Order of the Board  
For Ritesh Properties and Industries Limited**

**Place : New Delhi  
Date: 14.08.2015**

**sd/-  
(Sanjeev Arora)  
Chairman-cum-  
Managing Director  
DIN: 00077748  
1108/1, Mukand Lal Road,  
Tagore Nagar, Civil Lines  
Ludhiana- 141001.**

## STATUTORY AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

**The Members of**

**Ritesh Properties and Industries Limited**

We have examined the compliance of the conditions of the Corporate Governance by Ritesh Properties and Industries Limited for the year ended 31<sup>st</sup> March 2015, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period of exceeding one month against the Company as per the records maintained by the Stakeholder Relationship Committee.

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

**For S.M.Mathur & Co.**  
Chartered Accountants

sd/-

**(S.M.Mathur)**

Prop.

M. No. 013066

Place : New Delhi

Dated : 30.05.2015

### CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I Sanjeev Arora, Chairman-cum-Managing Director of Ritesh Properties and Industries Limited, certify that:

1. I have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of my knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
3. I accept responsibility for establishment and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or purpose to take to rectify these deficiencies.
4. I have indicated to the auditors and the Audit Committee
  - a) Significant changes in internal controls during the year.
  - b) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements, and
  - c) Instances of significant fraud of which we have become aware and involvement therein, if any of the management or other employees who have a significant role in the company's internal controls systems.
5. I further declare that all board members and senior managerial personal have affirmed compliance with the code of conduct for the financial year 31<sup>st</sup> March, 2015.

**For Ritesh Properties and Industries Limited**

sd/-

**(Sanjeev Arora)**

**Chairman-cum-Managing Director**  
**DIN No. 00077748**

**1108/1, Tagore Nagar, Civil Lines,**  
**Ludhiana-141001**

Place : New Delhi

Dated : 14.08.2015

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Ritesh Properties and Industries Limited,**  
**New Delhi**

### Report on the Financial Statements

We have audited the accompanying financial statements of Ritesh Properties and Industries Ltd ("the company"), which comprise the Balance Sheet as at 31 March 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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<sup>st</sup> March, 2015, and its Profit and its cash flows for the year ended on that date.

### Report on Other legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
- 2) As required by section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the company so far as 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;
  - (e) on the basis of written representations received from the directors, as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) With respect to the other matters to be included in the Auditors' 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 disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Note No. 36 on Notes to the Financial Statements.
    - ii. The company did not have any long-term contracts including derivatives 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.

**For S.M. Mathur & Co.,**  
(FR No. 006588N)  
Chartered Accountants  
sd/-  
**(S.M.Mathur)**  
Prop.  
**M. No.013066**

Place: New Delhi  
Dated 30.05.2015

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph (1) under the heading "Report on other legal and Regulatory Requirements of our Report of even date)

1. a) In respect of its fixed assets, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. In respect of its inventories:  
(a) As explained to us, the inventory has been physically verified by the management at reasonable intervals.  
(b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and according to information and explanation given to us, the company has generally maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
3. a) The company has granted loans to six companies, which includes two wholly owned subsidiaries (Previous year six including two wholly owned subsidiaries) covered in the register maintained under Section 189 of the Companies Act, 2013.  
(b) In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and interest thereon. The loans are repayable on demand.  
(c) There are no overdue amounts of more than rupees one lakh in respect of loans granted to bodies corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there has an adequate internal control system commensurate with the size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. According to the information and explanation given to us, the company has not accepted any deposits from the public. Therefore, the provisions of class (V) of paragraph 3 of the CARO 15 are not applicable to the company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the company.
7. In respect of statutory dues:  
(a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Duty of Custom, Duty of Excise, Cess, Sales Tax, Value Added Tax and any other statutory dues applicable to it with the appropriate authorities. No undisputed amounts are payable in respect of such statutory dues which were outstanding as on 31<sup>st</sup> March 2015 for a period of more than six months from the date it became payable.  
(b) According to the records of the company and the information given to us, as on date, there are no statutory dues like Income tax, Wealth tax, Service tax, Duty of Custom, Duty of Excise, cess and any other statutory dues applicable to it with the appropriate authorities which are in dispute and have not been deposited with the appropriate authorities.  
(c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Branch in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.
8. The accumulated losses of the Company are not more than 50% of its net worth. The Company has earned cash profit of Rs. 229.04 lacs in the financial year under review and earned cash profit of Rs. 228.99 lacs in the previous year.
9. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or banks.
10. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. The company has not obtained any term loan during the year, so this para of the order is not applicable.
12. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For S.M.Mathur & Co.,**  
(FRNo. 006588N)  
Chartered Accountants  
sd/-  
**(S.M.Mathur)**  
Prop.  
**M.No.013066**

Place: New Delhi  
Dated 30.05.2015



# **BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

(Amount in Rupees)

PARTICULARS	NOTES	31.03.2015	31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>A) Shareholder"s Fund</b>			
(a) Share Capital	2	115,909,580.00	115,909,580.00
(b) Reserves & Surplus	3	135,488,622.40	112,905,927.94
		<u>251,398,202.40</u>	<u>228,815,507.94</u>
<b>B) Non Current Liabilities</b>			
(a) Long term Borrowings	4	4,108,349.75	1,921,688.78
(b) Other Long term Liabilities	5	31,554,022.00	140,807,971.30
		<u>35,662,371.75</u>	<u>142,729,660.08</u>
<b>C) Current Liabilities</b>			
(a) Trade Payables	6	178,651,731.77	195,306,565.28
(b) Other Current Liabilities	7	52,505,349.50	37,163,995.50
(c) Short term provisions	8	1,947,992.00	4,752,333.08
		<u>233,105,073.27</u>	<u>237,222,893.86</u>
		<u>520,165,647.42</u>	<u>608,768,061.88</u>
<b>II. ASSETS</b>			
<b>A) Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	9	13,494,876.42	20,626,982.91
(b) Non Current Investments	10	15,236,380.00	15,164,000.00
(c) Long term Loans & Advances	11	231,289,624.43	235,987,326.43
		<u>260,020,880.85</u>	<u>271,778,309.34</u>
<b>B) Current assets</b>			
(a) Current Investments	12	7,391,591.84	103,310.00
(b) Inventories	13	164,906,892.57	180,044,597.13
(c) Trade Receivables	14	25,733,401.27	24,735,151.77
(d) Cash and cash equivalents	15	3,151,999.88	24,324,048.86
(e) Short-term loans and advances	16	58,960,881.00	107,782,644.77
		<u>260,144,766.56</u>	<u>336,989,752.53</u>
		<u>520,165,647.42</u>	<u>608,768,061.88</u>

## **Significant Accounting Policies and Notes to Accounts**

1 to 38

The accompanying notes are an integral part of the financials statements  
As per our report of even date

**For and on behalf of the Board**

For **S.M. Mathur & Co.**  
(FRNo.006588N)

Chartered Accountants  
sd/-

**(S.M. Mathur)**

Prop.

M.No.013066

Place: New Delhi

Date : 30.05.2015

sd/-  
**(Sanjeev Arora)**  
Chairman-cum-  
Mg. Director

sd/-  
**(Kavya Arora)**  
Executive  
Director  
& CFO

sd/-  
**(Roop Kishore Fatehpuriya)**  
Executive Director

sd/-  
**(Himani Khanna)**  
Company Secretary



**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

PARTICULARS	NOTES	31.03.2015	31.03.2014
<b>INCOME</b>			
Revenue from Operations	17	<b>77,991,809.00</b>	100,174,099.70
Other Income	18	<b>10,732,224.96</b>	11,799,983.53
<b>Total Revenue</b>		<b>88,724,033.96</b>	<b>111,974,083.23</b>
<b>EXPENSES</b>			
Cost of material consumed	19	<b>35,550,011.56</b>	58,622,120.46
Changes in Inventories of finished goods	20	-	282,720.00
Employee benefit expenses	21	<b>8,696,652.36</b>	7,996,283.06
Finance costs	22	<b>432,594.95</b>	1,219,427.37
Depreciation and amortization expenses	23 & 9	<b>2,799,752.08</b>	2,129,074.68
Other Expenses	24	<b>29,714,524.98</b>	30,857,761.57
<b>Total Expenses</b>		<b>77,193,535.93</b>	<b>101,107,387.14</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; TAX</b>		<b>11,530,498.03</b>	<b>10,866,696.09</b>
Exceptional Items	25	<b>938,281.84</b>	
<b>PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>		<b>12,468,779.87</b>	10,866,696.09
Extraordinary Items	26	<b>7,635,470.07</b>	12,053,164.83
Profit before Tax		<b>20,104,249.94</b>	22,919,860.92
<b>Tax Expenses</b>			
a) Current Tax		-	2,150,000.00
b) Tax for earlier years		-	-
<b>PROFIT FOR THE YEAR</b>		<b>20,104,249.94</b>	<b>20,769,860.92</b>
Earning per Share (of Rs. 10/- each)			
(1) Basic & Diluted	27	1.73	1.79
<b>Significant Accounting Policies and</b>	<b>1 to 38</b>		

The accompanying notes are an integral part of the financials statements  
As per our report of even date

**For and on behalf of the Board**

For **S.M. Mathur & Co.**

(FRNo.006588N)

Chartered Accountants

sd/-  
**(S.M. Mathur)**

Prop.

M.No.013066

Place: New Delhi

Date : 30.05.2015

sd/-  
**(Sanjeev Arora)**  
Chairman-cum-  
Mg. Director

sd/-  
**(Kavya Arora)**  
Executive  
Director  
& CFO

sd/-  
**(Roop Kishore Fatehpuriya)**  
Executive Director

sd/-  
**(Himani Khanna)**  
Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Amount in Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax & Extra Ordinary items	20,104,249.94	22,919,860.92
<b>Adjustments for</b>		
- Depreciation	2,799,752.08	2,129,074.68
- Interest paid on borrowing	-	773,786.50
- Profit/Loss on sale of Assets	(7,635,470.07)	(12,053,164.83)
- Dividend/interest received	(5,474,047.50)	(10,309,765.49)
<b>Operating profit before working capital changes</b>	<b>9,794,484.45</b>	<b>4,056,371.27</b>
<b>Adjustments for</b>		
- Inventory	15,137,704.57	14,699,420.08
- Receivable	(998,249.50)	
- Payable	(4,117,820.59)	(48,074,244.88)
- Short Term Loan & Advances	48,821,763.77	114,137,406.60
- Current Investment	(7,288,281.84)	51,555,116.41
Cash Generated from operations	61,349,600.85	84,818,953.08
Interest paid	-	(773,786.50)
Taxes Paid	(2,931,000.00)	2,777,360.74
<b>Net Cash from operating activities (A)</b>	<b>64,280,600.85</b>	<b>81,267,805.84</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(3,684,731.00)	(12,111,513.60)
Sale of Fixed Assets	15,200,000.00	21,694,642.00
Loans & Advances (Long Term)	4,697,702.00	8,020,515.60
Interest/Dividend Received	5,474,047.50	21,687,018.50
<b>Net cash used in investing activities (B)</b>	<b>21,687,018.50</b>	<b>27,316,830.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Non Current Investment	(72,380.00)	
Borrowing (Net)	(107,067,288.33)	(96,620,018.90)
<b>Net cash from financing activities (C)</b>	<b>(107,139,668.33)</b>	<b>(96,620,018.90)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		
Cash equivalents (A+B+C)	(21,172,048.98)	11,964,616.94
Cash and Cash equivalents(Opening Balance)	24,324,048.86	12,359,431.92
Cash and Cash equivalents(Closing Balance)	3,151,999.88	24,324,048.86

Auditor's Report  
as per our report of even date

For **S.M. Mathur & Co.**

(FRNo.006588N)

Chartered Accountants

sd/-

**(S.M. Mathur)**

Prop.

M.No.013066

Place: New Delhi

Date : 30.05.2015

For and on behalf of the Board

sd/-  
**(Sanjeev Arora)**  
Chairman-cum-  
Mg. Director

sd/-  
**(Kavya Arora)**  
Executive  
Director  
& CFO

sd/-  
**(Roop Kishore Fatehpuriya)**  
Executive Director

sd/-  
**(Himani Khanna)**  
Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### a) **Accounting Convention**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and in accordance with the Accounting Standards applicable in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

#### b) **Fixed Assets**

All fixed assets are stated at cost less accumulated depreciation. Cost of the acquisition of new assets is inclusive of taxes and other incidental expenses.

#### c) **Inventories**

The inventories have been determined on the basis of FIFO method and the basis of determining cost for various categories of inventories are as follows:-

- |                        |  |
|------------------------|--|
| 1) Stock (Real Estate) | At Cost                                  |
| 2) Project Expenses    | On the basis of actual expenses incurred |

#### d) **Revenue Recognition**

- 1) Sales are recognized to the extent of project completion basis. During the year, the management has certified that the development of Project has been completed to the extent of 90% till 31.03.2015 (Previous Year 90%) on mercantile basis. Accordingly the revenue has been recognized.
- 2) Foreign currency fluctuations during the year are NIL (Previous year NIL).
- 3) Vat tax liability is accounted for on the basis of sales/Vat tax returns filed and tax deposited by the Company. Additional liability, if any, arises at the time of assessment, will be accounted for in the year of finalization of assessment.

#### e) **Foreign Exchange Transaction**

Nil (Previous year Nil)

#### f) **Depreciation**

Consequent to the enactment of the Companies Act, 2013(the act) and its applicability for the accounting periods after April 1, 2014, the company has computed depreciation with reference to the estimated economic lives of the fixed assets prescribed by the Schedule II to the Act. For assets whose life is over, the carrying value, net of residual value, aggregating to Rs.4.53 lacs as at April 1, 2014 has been adjusted to retained earnings and in other assets the carrying value as at April 1, 2014 has been depreciated over the remaining of the revised useful life of the assets and recognized in the above financial results. As a result, charge of depreciation is higher by Rs. 5.20 Lacs for the Qtr and for the year ended March 31, 2015 and the net profit from activities before tax is lower by the same amount.

#### g) **Retirement Benefits**

Gratuity liability has been accounted for on an accrual basis.

Contribution to Provident Fund, Family Pension Scheme and E.S.I. are accounted for on accrual basis and charged to Profit & Loss Account accordingly.

#### h) **Investments**

Investments are valued at cost.

#### i) **Accounting of Taxes on Income**

No provision for current tax is made on the basis of estimated taxable income for the current accounting year, in accordance with the provision of Income Tax Act, 1961.

The deferred tax for timing difference between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. Deferred tax asset arising from timing difference are recognized to the extent there is reasonable certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

#### j) **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting policies in India requires management to make estimates and assumption that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The 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 of accounting estimates will be recognized prospectively in future periods.

#### k) **IMPAIRMENT OF ASSETS**

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Profit and Loss Statement. 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 recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the Profit and Loss Statement.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014			
<b>2. SHARE CAPITAL ACCOUNT</b>						
	Authorized					
	15,000,000 Equity Shares of Rs.10/- each	<b>150,000,000.00</b>	150,000,000.00			
	Issued					
	11,758,508 Equity Shares of Rs.10/- each	<b>117,585,080.00</b>	117,585,080.00			
	Subscribed & Paid up					
	11,590,958 Equity Shares of Rs.10/- each	<b>115,909,580.00</b>	115,909,580.00			
	<b>TOTAL</b>	<b>115,909,580.00</b>	<b>115,909,580.00</b>			
<b>Notes:</b>						
i)	<b>The company has one class of Equity Shares having a par value of Rs.10/- each. Each holder is eligible for one vote per share held.</b>					
ii)	<b>Detail of shares held by each shareholder holding more than 5% Shares</b>					
	<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>% holding</b>	<b>No. of Shares</b>	<b>% holding</b>
	1.	Sh. Sanjeev Arora	2383464	20.56	2590346	22.35
	2.	Bhagyanagar India Ltd.	851668	7.35	1050002	9.06
	3.	Time Publishing House Ltd.	830833	7.17	0	0
	4.	Benett Coleman and Company Ltd.	0	0	847458	7.31
	5.	Sh. Kavya Arora	1016334	8.77	1016334	8.77
<b>3. RESERVES &amp; SURPLUS</b>						
a)	<b>Capital Reserve</b>					
	Opening Balance		<b>92,198,920.52</b>			92,198,920.52
	Add: Transfer from Capital Subsidy		<b>3,000,000.00</b>			-
	Add: Transfer from Forfeited Share Reserve		<b>1,049,750.00</b>			
	Closing Balance		<b>96,248,670.52</b>			<b>92,198,920.52</b>
b)	<b>Capital Subsidy</b>					
	Opening Balance		<b>3,000,000.00</b>			3,000,000.00
	Less : Transfer to Capital Reserve		<b>3,000,000.00</b>			-
	Closing Balance		<b>-</b>			<b>3,000,000.00</b>
c)	<b>Forfeited Share Reserve</b>					
	Opening Balance		<b>1,049,750.00</b>			1,049,750.00
	Less : Transfer to Capital Reserve		<b>1,049,750.00</b>			-
	Closing Balance		<b>-</b>			<b>1,049,750.00</b>
d)	<b>Securities Premium Reserve</b>					
	Opening Balance		<b>156,057,942.00</b>			156,057,942.00
	Additions during the year		<b>-</b>			-
	Closing Balance		<b>156,057,942.00</b>			<b>156,057,942.00</b>
e)	<b>Investment Allowance Reserve (Utilised)</b>					
	Opening Balance		<b>987,000.00</b>			987,000.00
	Less: Transfer to profit & Loss Account		<b>987,000.00</b>			-
	Closing Balance		<b>-</b>			<b>987,000.00</b>
f)	<b>Profit &amp; Loss Account</b>					
	Opening Balance		<b>(140,387,684.57)</b>			(160,530,184.76)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
	Add : Transfer from Investment Allowance Reserve	987,000.00	-
	Excess Provision no longer required	2,931,000.00	-
	Tax of earlier Years	-	(627,360.74)
	Adjustment of Depreciation - SLM Basis	(452,555.49)	-
	Additions during the year	20,104,249.94	20,769,860.92
	Closing Balance	(116,817,990.12)	(140,387,684.58)
	<b>TOTAL</b>	<b>135,488,622.40</b>	<b>112,905,927.94</b>
<b>4. LONG TERM BORROWINGS</b>			
	Secured#		
a)	From Bank	2,492,963.00	16,409.67
b)	From Others	1,615,386.75	1,905,279.11
	<b>TOTAL</b>	<b>4,108,349.75</b>	<b>1,921,688.78</b>
	# Secured against the Hypothecation of the vehicles		
<b>5. OTHER LONG TERM LIABILITIES</b>			
a)	From Related Parties	-	94,795,219.30
b)	From Others	30,242,222.00	45,242,222.00
c)	Security Received	1,311,800.00	770,530.00
	<b>TOTAL</b>	<b>31,554,022.00</b>	<b>140,807,971.30-</b>
<b>6. TRADE PAYABLES</b>			
a)	Trade Payables	178,651,731.77	195,306,565.28
	<b>TOTAL</b>	<b>178,651,731.77</b>	<b>195,306,565.28</b>
	Trade Payables include Rs. NIL (Previous year Rs. NIL) due to creditors registered with Micro, Small and Medium Enterprises Development Act, 2006(MSME)		
	No interest is paid/payable during the year to Micro, Small and Medium Enterprises.		
<b>7. OTHER CURRENT LIABILITIES</b>			
	Advances from Customers	47,704,194.90	30,519,722.90
	Statutory Dues	2,547,213.00	4,537,756.00
	Other Liabilities	1,863,679.60	1,805,121.60
	Cheque Issued but presented later on	390,262.00	301,395.00
	<b>TOTAL</b>	<b>52,505,349.50</b>	<b>37,163,995.50</b>
<b>8. SHORT TERM PROVISIONS</b>			
(a)	Provision for employee benefits	1,947,992.00	1,821,333.08
(b)	Others	-	2,931,000.00
	<b>TOTAL</b>	<b>1,947,992.00</b>	<b>4,752,333.08</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

**NOTE PARTICULARS 31.03.2015 31.03.2014**

**9. TANGIBLE ASSETS**

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1.04.2014	Additions	Sale/ Deductions	As at 31.03.2015	Upto 1.04.2014	Adjustment of Dep on SLM Basis	For the Year	Adjustment/ Deductions	Upto 31.03.2015	As At 31.03.2015	As At 31.03.2014
Building	12,092,753.14	-	10,069,422.14	2,023,331.00	3,304,434.62	-	43,140.94	2,504,892.21	842,683.35	1,180,647.64	8,788,318.52
Plant & Machinery	3,095,911.60	96,200.00	-	3,192,111.60	2,301,362.24	22,668.66	87,740.60	-	2,411,771.50	780,340.10	794,549.36
Furniture & Fixture	5,148,905.29	29,000.00	-	5,177,905.29	2,393,629.06	252,338.75	289,934.75	-	2,935,902.56	2,242,002.73	2,755,276.23
Office Equipment	1,785,340.37	33,990.00	-	1,819,330.37	1,234,819.81	184,113.02	69,312.29	-	1,488,245.12	331,085.25	550,520.56
Vehicles	15,890,822.99	3,525,541.00	-	19,416,363.99	8,152,504.74	(6,564.94)	2,309,623.49	-	10,455,563.29	8,960,800.70	7,738,318.25
<b>TOTAL</b>	<b>38,013,733.39</b>	<b>3,684,731.00</b>	<b>10,069,422.14</b>	<b>31,629,042.25</b>	<b>17,386,750.47</b>	<b>452,555.49</b>	<b>2,799,752.08</b>	<b>2,504,892.21</b>	<b>18,134,165.82</b>	<b>13,494,876.42</b>	<b>20,626,982.91</b>
Previous Year	63,689,456.80	12,111,513.60	37,787,237.01	38,013,733.39	43,403,435.64	-	2,129,074.68	28,145,759.84	17,386,750.49	20,626,982.90	

**10. NON CURRENT INVESTMENTS**

**UN QUOTED**

1500000 Equity Shares of Rs.10/- of Femella Fashions Ltd.	<b>15,000,000.00</b>	15,000,000.00
4000 common stock of \$1/- each of Catalina Bay USA Inc.	<b>164,000.00</b>	164,000.00
7238 Equity Shares of Rs.10/- of Kishan Chand & Oil Industries	<b>72,380.00</b>	-
<b>TOTAL</b>	<b>15,236,380.00</b>	<b>15,164,000.00</b>

**11. LONG TERM LOANS & ADVANCES**

Security Deposits, considered Good	<b>2,227,193.87</b>	1,552,193.87
Loans & Advances to Subsidiaries	<b>207,285,314.09</b>	201,178,079.09
Other Loans & Advances, Considered Good	<b>21,777,116.47</b>	33,257,053.47
<b>TOTAL</b>	<b>231,289,624.43</b>	<b>235,987,326.43</b>

**12. CURRENT INVESTMENTS**

**Trade Investments**

**Quoted**

1100 Equity Shares of Rs.10/- each of Master Trust Ltd.	<b>11,000.00</b>	11,000.00
400 Equity Shares of Rs. 10/- each of Nahar Industrial Enterprises Ltd.	<b>10,000.00</b>	10,000.00
420 Equity Shares of Rs.10/- each of Nahar Poly Films Ltd.	<b>40,521.60</b>	40,521.60
330 Equity Shares of Rs.10/- each of Nahar Spinning Mills Ltd.	<b>31,838.40</b>	31,838.40
500 Equity Shares of Rs.10/- each of R.S. Petro Products Ltd.	<b>9,950.00</b>	9,950.00

**Mutual Fund Investment**

Reliance Liquid Fund- Treasury Plan-DP Growth (2714.420 Units)	<b>7,288,281.84</b>	-
	<b>7,391,591.84</b>	<b>103,310.00</b>

**Market Value of Quoted Investments**

	<b>7,498,128.19</b>	<b>72,023.00</b>
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**13. Inventories**

(As taken, valued & certify by the management)

Real Estate	<b>164,906,892.57</b>	180,044,597.13
Finished Goods	-	-
<b>TOTAL</b>	<b>164,906,892.57</b>	<b>180,044,597.13</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
<b>14. Trade Receivables (Unsecured, Considered Good)</b>			
	Outstanding for a period exceeding 6 months	24,982,569.77	24,735,151.77
	Others -Considered good	750,831.50	
	<b>TOTAL</b>	<b>25,733,401.27</b>	<b>24,735,151.77</b>
<b>15. Cash &amp; Cash Equivalent</b>			
	Cash Balance in Hand	1,383,774.33	1,297,695.33
	Balance with Banks in Current Account	1,019,610.84	11,275,470.82
	Balance with Banks in FDR Account	248,614.71	11,450,882.71
	Cheque Deposited but presented later on	500,000.00	300,000.00
	<b>TOTAL</b>	<b>3,151,999.88</b>	<b>24,324,048.86</b>
<b>16. Short-Term Loans and Advances (Unsecured, considered good)</b>			
	Taxes paid in advance	1,656,273.00	781,421.00
	Advances to suppliers	7,431,645.00	2,805,366.00
	Advances to Staff	47,170.00	134,500.00
	Other Loans & Advances	49,825,793.00	104,061,357.77
	<b>TOTAL</b>	<b>58,960,881.00</b>	<b>107,782,644.77</b>
<b>17. Revenue from Operations</b>			
i)	Sale of Real Estate	66,826,809.00	93,424,245.70
	Resale of Plots	11,000,000.00	6,500,000.00
	Sale of Industrial Plots		
ii)	Other Operating Income	165,000.00	249,854.00
	Sale of Garments etc.		
	<b>TOTAL</b>	<b>77,991,809.00</b>	<b>100,174,099.70</b>
<b>18. Other Income</b>			
	Interest Income	5,474,047.50	9,713,186.00
	Common Area Maintenance Charges	1,275,270.00	-
	Balances written back	2,377,639.96	1,896,354.53
	Rent	-	93,238.00
	Misc Income	1,605,267.50	97,205.00
	<b>TOTAL</b>	<b>10,732,224.96</b>	<b>11,799,983.53</b>
<b>19. Cost of Material Consumed</b>			
	Opening Stock		
	- Real Estate	180,044,597.13	194,461,297.22
	Add: Purchases		
i)	Project Expenses	8,788,247.00	32,455,420.37
	-Purchase of Plots	11,500,000.00	11,750,000.00
ii)	Others	124,060.00	
		<b>200,456,904.13</b>	<b>238,666,717.59</b>
	Closing Stock		
	- Real Estate	164,906,892.57	180,044,597.13
	<b>Net Consumption</b>	<b>35,550,011.56</b>	<b>58,622,120.46</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
<b>20. Change in Inventories</b>			
a) Opening Stock of			
- Finished Goods	-	282,720.00	
b) Closing Stock of			
- Finished Goods	-	-	-
(Increase)/Decrease in Inventories	-	<b>282,720.00</b>	
<b>21. Employee Benefits Expense</b>			
Salaries & Wages#	7,118,301.00	7,015,529.00	
Contribution to Provident & Other Funds	167,179.00	119,511.00	
Other Benefits to Staff & Workers##	1,295,821.36	711,121.06	
Staff Welfare Expenses	115,351.00	150,122.00	
<b>TOTAL</b>	<b>8,696,652.36</b>	<b>7,996,283.06</b>	
#Includes Directors Remuneration Rs. 5,240,328.00/- Previous Year Rs. 4,719,840.00/-			
#Includes Directors Sitting Fees Rs. 69,000.00/- (Previous Year Rs. 65,000.00) and Director's Allowances Rs.3,64,992.00 (Previous year Rs. 1,57,680.00)			
<b>22. Finance Charges</b>			
Interest	-	773,786.50	
Hire Purchase Charges	408,979.97	208,025.10	
Bank Charges	23,614.98	237,615.77	
<b>TOTAL</b>	<b>432,594.95</b>	<b>1,219,427.37</b>	
<b>23. Depreciation &amp; Amortization Expenses</b>			
Depreciation	2,799,752.08	2,129,074.68	
	<b>2,799,752.08</b>	<b>2,129,074.68</b>	
<b>24. Other Expenses</b>			
Advertisement	2,019,456.64	5,859,354.44	
Electric Expenses	2,640,216.00	1,803,522.00	
Fees & Taxes	550,200.00	469,153.00	
Freight Expenses	2,800.00		
Insurance Expenses	198,485.34	269,632.44	
Legal & Professional Charges	3,407,078.00	3,538,901.00	
Vehicle Expenses	1,477,440.13	1,731,059.68	
Postage & telephone Expenses	753,291.54	443,091.92	
Rent	3,995,000.00	3,450,000.00	
Travelling and Conveyance Expenses#	6,144,176.91	8,977,428.41	
Charity & Donation	1,494,000.00	30,000.00	
Repair & Maintenance##	154,111.00	263,019.00	
Business / Sales Promotion Expenses	4,035,360.33	2,026,568.90	
Commission	197,620.00	303,727.00	
Other Expenses	2,645,289.09	1,692,303.78	
<b>TOTAL</b>	<b>29,714,524.98</b>	<b>30,857,761.57</b>	

# Includes Directors Travelling Rs. 2,204,921.58 Previous Year Rs. 4,577,945.34

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

PARTICULARS	31.03.2015	31.03.2014
##Repair and Maintance includes		
Electric Repair	49,635.00	192,653.00
Building Repair	78,601.00	-
General Repair	25,875.00	70,366.00
<b>25. Exceptional Items</b>		
Profit on Mutual Fund Investment	938,281.84	-
<b>TOTAL</b>	<b>938,281.84</b>	<b>-</b>
<b>26. Extraordinary Items</b>		
Profit / Loss on Sale of Fixed Assets	7,635,470.07	12,053,164.83
<b>TOTAL</b>	<b>7,635,470.07</b>	<b>12,053,164.83</b>
<b>27. Earning Per Share</b>		
a) Net profit after tax	20,104,249.94	20,769,860.92
b) Total weighted Average Number of Shares for Basic and Diluted Earning	11,590,958.00	11,590,958.00
c) Basic and Diluted Earning per Share	1.73	1.79

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 28. Contingent Liabilities

Bank Guarantee	Rs. Nil (Previous Year Rs.183.66 Lacs)
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29. Debit & Credit balances of the parties are subject to confirmation & reconciliation.

30. Insurance claims of Rs. NIL (Previous Year Rs. 21675/-) are being accounted for on receipt basis.

31. In the opinion of the Board, all the Current Assets, Loans & Advances have a value on realization in the ordinary course of business equivalent to the amount at which they are stated except as expressly stated otherwise.

### 32. Segment Reporting

Segment reporting is not given as the company deals mainly in one segment and the disclosure requirements of Accounting Standards (AS)-17 on "Segment Reporting", issued by The Institute of Chartered Accountants of India are not applicable.

33. The payment made to the Managing Director & Executive Director and other Directors are as under:

Particulars	2014-15 Rs.	2013-14 Rs.
Salary to Chairman Cum Mg. Director-Sh. Sanjeev Arora	Rs. 30,00,000/-	Rs. 30,00,000/-
Salary to Director-Sh. Kavya Arora	Rs. 12,00,000/-	Rs. 6,00,000/-
Salary to Executive Director - Sh. Roop Kishore Fatehpuriya.	Rs. 10,40,328/-	Rs. 11,19,840/-
Perks- to Executive Director - Sh. Roop Kishore Fatehpuriya.	Rs. 3,64,992/-	Rs. 1,57,680/-
Sitting Fee to Director- Sh. Surendar K Sood	Rs. 29,000/-	Rs. 65,000/-
Sitting Fee to Director- Sh. Gurpreet Singh Brar	Rs. 40,000/-	Nil
Rent recovered from Chairman Cum Mg. Director- Sh. Sanjeev Arora	Rs. 4,50,000/-	Rs. 4,50,000/-

### 34. Related Parties Disclosure

A) Related parties where control exists or with whom transactions have taken place during the year.

#### SUBSIDIARY COMPANIES

- Femella Fashions Private Limited
- Catalina Bay USA Inc.

#### ASSOCIATED/ALLIED COMPANIES

- Ritesh International Limited- up to 25.07.2013
- Ritesh Spinning Mills Limited
- Kamal Oil & Allied Industries (P) Ltd- w.e.f 04.05.2013
- Ritesh Impex Private Ltd
- H.B. Fibres Limited
- K P Advisors(Realty) Pvt Ltd

#### KEY MANAGERIAL PERSONNEL (KMP) REPRESENTED ON THE BOARD

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| • Sh. Sanjeev Arora               | Chairman-cum-Managing<br>Director |
| • Sh. Rajiv Arora                 | Director*                         |
| • Sh. Roop Kishore<br>Fatehpuriya | Executive Director                |
| • Sh. Kavya Arora                 | Director                          |
| • Sh. Surendar K Sood             | Director                          |
| • Sh. Gurpreet Singh Brar         | Director                          |
- \* Up to 25.07.2013

#### OTHERS

- |                     |   |
|---------------------|---|
| • Mrs. Guneet Arora | Wife of Sh. Kavya Arora,<br>Director and Daughter in<br>Law of Sh. Sanjeev Arora,<br>Chairman-cum-Managing<br>Director. |
|---------------------|---|

B) The following is a summary of significant related party transaction:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Sr. No.	Name of Company/ Firm/Individual	Nature of Transaction	2014-15 (Rs.)	DR/ CR	2013-14 (Rs.)	DR/ CR
1.	Ritesh International Ltd, Associated/ Allied Company	-Cheques Recd. -Cheques Paid -Expense - Fixed Assets Sale Purchase	NIL NIL NIL NIL NIL	CR DR CR DR CR	16697785.00 104322.50 100000.00 515000.00 99000.00	CR DR CR DR CR
2.	Ritesh Spinning Mills Ltd, Associated/ Allied Company	- Loan Repaid - Loan Received - Expenses	100901019.30 6110000.00 4200.00	DR CR DR	137905000.00 10212000.00	DR CR CR
3.	H.B. Fibres Ltd, Associated/ Allied Company	- Loan Received Back -Expenses	11470000.00 6000.00	CR DR	6990000.00 NIL	CR CR
4.	Femella Fashions (P) Ltd, Subsidiary Company	- Loan Given - Cheques Recd - Sales - Purchase - Expenses - Expenses Reimbursement - Sale of Fixed Assets - Other Payments On behalf	10350000.00 4300000.00 7235.00 7235.00 492795.40 450000.00 23489.00 50000.00	DR CR DR CR DR CR DR DR	5940000.00 1400000.00 NIL NIL 492795.40 450000.00 23489.00 363200.00	DR CR DR CR DR CR DR DR
5.	Ritesh Impex (P) Ltd, Associated/ Allied Company	Expenses	2800.00	DR	NIL	
6.	K P Advisors (Realty) Pvt Ltd- Associated/ Allied Company	Expenses	1200.00	Dr	NIL	
7.	Kamal Oil & Allied Industries (P) Ltd	Loan Given	53643.00	Dr	NIL	
8.	Guneet Arora, Others	Professional Charges	500000.00	CR	300000.00	CR
9.	Sh. Kavya Arora, KMP	Salary	1200000.00		6000000.00	
10.	Sh. Sanjeev Arora, KMP	Cheques Recd Cheques Paid Salary Rent Recovered	3750000.00 3750000.00 3000000.00 450000.00	CR DR CR CR	2150000.00 2150000.00 3000000.00 450000.00	CR DR CR CR
11.	Sh. Roop Kishor Fatehpuria, KMP	Salary Perks	1040328.00 364992.00		1119840.00 157680.00	
12.	Sh. Surinder K Sood KMP	Sitting Fee	29000.00		65000.00	
13.	Sh. Gurpreet Singh Brar- KMP	Sitting Fee	40000.00		NIL	

### C) Amount Due From/To Related Parties

Particulars	As at 31.03.2015 (Rs.in Lacs)	As at 31.03.2014 (Rs.in Lacs)
i) Due from Related Parties (Included in Loan & Advance & Sundry Debtors)		
- Subsidiary Companies	2317.30	2256.23
- Associate/Allied Concern	151.61	265.68
- Others	NIL	NIL
ii) Due to Related parties (Included in Current Liabilities & Unsecured Loans)		
- Associate/Allied Concern	NIL	947.95
- Due to Key Managerial Personnel	NIL	NIL

### 35. Leases (AS-19) :

		(Amount in Rupees)	
Sr. No.	Particulars	31.03.2015	31.03.2014
a.	The total of future minimum lease payment under non-cancelable operating leases for each of the following periods : 1. not later than one year; 2. later than one year and not later than five year; 3. later than five years;	2,160,000 3,081,756 NIL	2,400,000 800,000 NIL
b.	The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet;	NIL	NIL
c.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	3,995,000	3,450,000
d.	Sub-leases payments received (or receivable) recognized in the statement of profit and loss for the period;	NIL	93,238
e.	A general description of the lessee's significant leasing arrangements including the following; The existence and terms of renewal or purchase options and escalation clauses; and restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.	NIL	NIL

36. The Udyog Sahayak, Chandigarh has allotted 40 Acres of Land vide Letter No. US/337-U Dt. 22/04/94 in the name of the company. The sale deeds & possession of the above said land is with the company and its associate companies.

Collector Land Acquisition, Department of Industries and Commerce, Punjab, Chandigarh had issued various demand notices being the enhanced compensation to be paid to the Land Owners. The farmers had filed the petition for price enhancement before the Hon'ble High Court of Punjab and Haryana, which had fixed the basic compensation of Rs.6.70 Lacs per Acre vide order dated 25.08.2005 instead of Rs.4.50 Lacs per Acre as awarded by reference court.

The farmers and Collector Land Acquisition, Punjab contested the above order of the Hon'ble High Court of Punjab and Haryana before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated 25.03.2015 has decided the above matter and had affirmed the order of the Hon'ble High Court of Punjab and Haryana.

As soon as the demand will be raised against the company by the Collector Land Acquisition, Punjab, it shall be accounted for in the Books of Accounts.

37. Expenditure in Foreign Currency on Travelling is Rs. 83,189/- (P.Y Rs. 3,58,977/-).

38. Corresponding figures of previous year have been regrouped /rearranged wherever deemed necessary.

### Significant to Notes 1 to 38

For S.M. Mathur & Co.  
(FRNo.006588N)  
Chartered Accountants  
(S.M. Mathur)  
Prop.  
M.No.013066  
Place: New Delhi  
Date : 30.05.2015

sd/-  
(Sanjeev Arora)  
Chairman-cum-  
Mg. Director

sd/-  
(Kavya Arora)  
Executive  
Director  
& CFO

sd/-  
(Roop Kishore Fatehpuriya)  
Executive Director  
sd/-  
(Himani Khanna)  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of

**Ritesh Properties and Industries Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Ritesh Properties and Industries Limited ("the Company") and its Subsidiaries (collectively referred to as "the Group") which comprise the Consolidated balance Sheet as at 31<sup>st</sup> March 2015, the Consolidated Profit & Loss Statement and the Consolidated Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory information, annexed thereto (herein after referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the rule 7 of the Companies (Accounts) Rule, 2014.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of the appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on

Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and fair presentation of the consolidated financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of the such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the unaudited overseas subsidiary, the aforesaid consolidated 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:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2015;
- (b) In the case of consolidated statement of Profit & Loss, of the profit for the Group for the year ended on that date;
- (c) In the case of the consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.

### **Other Matter**

We did not audit the Financial Statements of overseas subsidiary viz. Catalina Bay USA Inc, which reflect total assets of Rs. 310.97 Lacs (Previous Year Rs. 300.74 Lacs) as at 31<sup>st</sup> March, 2015, total revenue of Rs. NIL Lacs (Previous year Rs. NIL) and cash inflows amounting to Rs. Nil (Previous Year cash outflow of Rs. 12.09 Lacs) for the year ended on that date, as considered in the Consolidated financial statements. These consolidated financial statements and other financial



information has been compiled by the Company's management and our opinion is based solely on the information given by the Company.

Our opinion is not qualified in respect of other matter.

#### **Report on Other legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's reports of the Holding company and subsidiary companies, we give in the Annexure 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors of the Holding Company and of subsidiaries, none of the directors of the Group is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group- Refer Note No. 36 to the Consolidated Financial Statements.
    - ii. The consolidated financial statements did not have any long-term contracts including derivatives 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 Holding company and its subsidiaries.

For **S M Mathur & Co.**  
(FRN No.006588N)  
Chartered Accountants

Place : New Delhi  
Date : 30.05.2015

**(S M Mathur)**  
Prop.  
M.No.013066

#### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT** **Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

Our reporting on the CARO 2015 includes one subsidiary company incorporated in India, to which CARO 2015 is applicable

- i. In respect of its Fixed Assets of the Holding Company and subsidiary company incorporated in India;
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- ii. In respect of its inventories of the Holding Company and subsidiary company incorporated in India;
  - (a) As explained to us, the inventories were physically verified during the year by the management of the respective entities at reasonable intervals.
  - (b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and according to information and explanation given to us, the respective entities have generally maintained proper records of inventories and no material discrepancies were noticed on the physical verification of inventory.
- iii. (a) The Holding company has granted loans to four Associate Companies, (Previous year four) covered

- in the register maintained under Section 189 of the Companies Act, 2013.
- (b) In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and interest thereon. The loans are repayable on demand.
  - (c) There are no overdue amounts of more than rupees one lakh in respect of loans granted to bodies 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, there has an adequate internal control system in the Holding and Subsidiary Company, commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
  - v. According to the information and explanation given to us, the Holding and Subsidiary company have not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Therefore, the provisions of class (V) of paragraph 3 of the CARO 15 are not applicable to the company.
  - vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the any products of the respective entities.
  - vii. According to the records of the respective entities and the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary company incorporated in India;
    - (a) The respective entities have generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Sales Tax, Value Added Tax and any other statutory dues applicable to it with the appropriate authorities. No undisputed amounts are payable in respect of such statutory dues which were outstanding as on 31<sup>st</sup> March 2015 for a period of more than six months from the date it became payable.
    - (b) According to the information and explanations given to us, as on date, there are no statutory dues like Income tax, Wealth tax, Service tax, Duty of Custom, Duty of Excise, cess and any other statutory dues applicable to it with the appropriate authorities which are in dispute and have not been deposited with the appropriate authorities.
    - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Branch in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.
  - viii. The Holding company and subsidiary company incorporated in India do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.
  - ix. In our opinion and according to the information and explanation given to us, the Holding and Subsidiary company incorporated in India has not defaulted in repayment of dues to a financial institution or banks during the year.
  - x. In our opinion and according to the information and explanation given to us, the Holding and subsidiary company incorporated in India has not given any guarantee for loans taken by others from bank or financial institutions. Hence, reporting requirement under this clause is not applicable.
  - xi. The Holding and subsidiary company incorporated in India has not taken any term loan during the year, so this para of the order is not applicable.
  - xii. In our opinion and according to the information and explanations given to us, no fraud by the Holding and subsidiary Company incorporated in India and no material fraud on the Holding and subsidiary Company has been noticed or reported during the year covered by our audit.

For **S M Mathur & Co.**  
(FRN No.006588N)  
Chartered Accountants

Place : New Delhi  
Date : 30.05.2015

**(S M Mathur)**  
Prop.  
M.No.013066

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

(Amount in Rupees)

PARTICULARS	NOTES	31.03.2015	31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>A) Shareholder's Fund</b>			
(a) Share Capital	2	115,909,580.00	115,909,580.00
(b) Reserves & Surplus	3	39,916,699.03	16,214,807.22
		<u>155,826,279.03</u>	<u>132,124,387.22</u>
<b>(B) Non Current Liabilities</b>			
(a) Long term Borrowings	4	4,108,349.75	1,921,688.78
(b) Other Long term Liabilities	5	31,560,249.00	140,813,963.30
		<u>35,668,598.75</u>	<u>142,735,652.08</u>
<b>(C) Current Liabilities</b>			
(a) Trade Payables	6	201,193,712.57	217,120,095.48
(b) Other Current Liabilities	7	63,240,786.18	44,674,113.41
(c) Short term provisions	8	1,947,992.00	4,752,333.08
		<u>266,382,490.75</u>	<u>266,546,541.97</u>
		<u>457,877,368.53</u>	<u>541,406,581.27</u>
<b>II ASSETS</b>			
<b>(A) Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	9	22,222,120.18	30,294,269.56
ii) Intangible Assets		25,816,567.55	26,052,679.47
(b) Non current Investments	10	72,380.00	-
(c) Other non current Assets	11	47,342,217.73	47,356,771.00
(d) Long term Loans & Advances	12	39,129,657.20	49,544,495.53
(e) Deferred Tax Assets	13	859,685.78	843,445.58
		<u>135,442,628.44</u>	<u>154,091,661.14</u>
<b>(B) Current assets</b>			
(a) Current Investments	14	7,391,591.84	103,310.00
(b) Inventories	15	226,318,382.16	234,702,515.36
(c) Trade Receivables	16	24,474,414.73	19,159,030.47
(d) Cash and cash equivalents	17	4,759,503.36	24,728,722.34
(e) Short-term loans and advances	18	59,490,848.00	108,621,341.96
		<u>322,434,740.09</u>	<u>387,314,920.13</u>
		<u>457,877,368.53</u>	<u>541,406,581.27</u>

**Significant Accounting Policies and Notes to Accounts** 1 to 44

The accompanying notes are an integral part of the financials statements  
As per our report of even date

**For and on behalf of the Board**

For **S.M. Mathur & Co.**

(FRNo.006588N)

Chartered Accountants

sd/-

**(S.M. Mathur)**

Prop.

M.No.013066

Place: New Delhi

Date : 30.05.2015

sd/-

**(Sanjeev Arora)**

Chairman-cum-

Mg. Director

sd/-

**(Kavya Arora)**

Executive

Director

& CFO

sd/-

**(Roop Kishore Fatehpuriya)**

Executive Director

sd/-

**(Himani Khanna)**

Company Secretary

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

PARTICULARS	NOTES	31.03.2015	31.03.2014
<b>INCOME</b>			
Revenue from Operations	19	179,559,697.00	158,794,444.78
Other Income	20	10,756,815.37	12,749,749.00
<b>Total Revenue</b>		<b>190,316,512.37</b>	<b>171,544,193.78</b>
<b>EXPENSES</b>			
Cost of material consumed	21	63,795,604.02	77,563,629.65
Changes in Inventories of finished goods	22	(6,875,281.36)	833,317.85
Employee benefit expenses	23	18,646,305.36	14,582,567.06
Finance costs	24	453,568.39	1,225,101.55
Depreciation and amortization expenses	25	4,736,100.75	3,235,702.50
Other Expenses	26	95,246,746.85	60,893,361.77
<b>Total Expenses</b>		<b>176,003,044.01</b>	<b>158,333,680.38</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; TAX</b>		<b>14,313,468.36</b>	<b>13,210,513.40</b>
Exceptional Items	27	938,281.84	-
<b>PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>		<b>15,251,750.20</b>	<b>13,210,513.40</b>
Extraordinary Items	28	7,635,470.07	11,983,340.98
Profit before Tax		22,887,220.27	25,193,854.38
Tax Expenses			
a) Current Tax		-	2,150,000.00
b) Deffered Tax		(16,240.20)	134,919.16
<b>PROFIT FOR THE YEAR</b>		<b>22,903,460.47</b>	<b>22,908,935.22</b>
Earning per Share (of Rs. 10/- each)			
(1) Basic & Diluted	29	1.98	1.98
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>1 to 44</b>		

The accompanying notes are an integral part of the financials statements  
As per our report of even date

**For and on behalf of the Board**

For **S.M. Mathur & Co.**

(FRNo.006588N)

Chartered Accountants

sd/-  
**(S.M. Mathur)**

Prop.

M.No.013066

sd/-

**(Sanjeev Arora)**

Chairman-cum-

Mg. Director

sd/-

**(Kavya Arora)**

Executive

Director

& CFO

sd/-

**(Roop Kishore Fatehpuriya)**

Executive Director

sd/-

**(Himani Khanna)**

Company Secretary

Place: New Delhi

Date : 30.05.2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

<b>PARTICULARS</b>	<b>For the year ended 31.03.2015</b>	<b>For the year ended 31.03.2014</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax & Extra Ordinary items	22,887,220.27	25,193,854.38
<b>Adjustments for</b>		
- Depreciation	4,721,547.48	3,219,532.20
- Interest paid on borrowing	-	773,786.50
- Profit/Loss on sale of Assets	(7,635,470.07)	(11,983,340.98)
- Dividend/interest received	(5,498,637.91)	(9,730,919.00)
<b>Operating profit before working capital changes</b>	<b>14,474,659.77</b>	<b>7,472,913.10</b>
<b>Adjustments for</b>		
- Inventory	8,384,133.20	9,056,068.94
- Receivable	(5,315,384.26)	(5,059,913.93)
- Payable	(164,051.22)	(46,603,992.58)
- Loans & Advances (Short Term)	49,130,493.96	113,909,566.96
Cash Generated from operations	66,509,851.45	78,774,642.49
Interest paid	-	(773,786.50)
	66,509,851.45	78,000,855.99
Taxes Paid	(2,931,000.00)	2,777,360.74
<b>Net Cash from operating activities (A)</b>	<b>69,440,851.45</b>	<b>75,223,495.25</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,750,091.00)	(13,769,399.60)
Sale of Fixed Assets	15,200,000.00	21,744,641.65
Purchase/Sale of Investment	(7,288,281.84)	-
Loans & Advances (Long Term)	10,414,838.33	16,445,410.40
Interest/Dividend Received	5,498,637.91	9,730,919.00
<b>Net cash used in investing activities (B)</b>	<b>18,075,103.40</b>	<b>34,151,571.45</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Foreign Currency Translation Reserve	(360,293.77)	(861,638.73)
Non Current Investments	(72,380.00)	-
Non Current Assets	14,553.27	16,170.29
Borrowing (Net)	(107,067,053.33)	(96,619,456.90)
<b>Net cash from financing activities ( C)</b>	<b>(107,485,173.83)</b>	<b>(97,464,925.34)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(19,969,218.98)	11,910,141.36
Cash equivalents (A+B+C)	24,728,722.34	12,818,580.98
Cash and Cash equivalents(Opening Balance)	4,759,503.36	24,728,722.34
Cash and Cash equivalents(Closing Balance)		

Auditor's Report  
as per our report of even date

For **S.M. Mathur & Co.**

(FRNo.006588N)

Chartered Accountants

sd/-

**(S.M. Mathur)**

Prop.

M.No.013066

sd/-  
**(Sanjeev Arora)**  
Chairman-cum-  
Mg. Director

sd/-  
**(Kavya Arora)**  
Executive  
Director  
& CFO

**For and on behalf of the Board**

sd/-  
**(Roop Kishore Fatehpuriya)**  
Executive Director

sd/-  
**(Himani Khanna)**  
Company Secretary

Place: New Delhi Date : 30.05.2015

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

**1. Significant Accounting Policies:**

**a) Basis of presentation**

The financial statements are prepared under the historical cost convention on the Accrual Concept of accountancy in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the applicable provisions of the Companies Act, 2013.

**b) Basis of consolidation**

The consolidated financial statements include the financial statements of the Ritesh Properties and Industries Limited ('the Company') and its subsidiaries.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after fully eliminating intragroup balances/transactions.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

**c) Fixed Assets**

All fixed assets are stated at cost less accumulated depreciation. The cost of the acquisition is inclusive of freight, duties, taxes and other incidental expenses.

**d) Inventories**

In the case of the Company, the inventories have been determined on the basis of FIFO method and the basis of determining cost for various categories of inventories are as follows:-

- |                               |  |
|-------------------------------|--|
| 1) Finished Goods (Factories) | At Estimated<br>realizable Value               |
| 2) Stock (Real Estate)        | At Cost  |
| 3) Project Expenses           | On the basis of<br>actual expenses<br>incurred |

In the case of Indian Subsidiary the inventories have been determined on the basis of FIFO method and the Opening & Closing Stocks have been valued at the Maximum Retail price (MRP) less gross profit margin as being valued consistently in the previous years.

**e) Revenue Recognition**

- 1) In the case of Company, Sales are recognized to the extent of project completion basis. During the year, the management has certified that the development of the project has been completed to the extent of 90% till 31.03.2015 (Previous Year 90%) on mercantile basis. Accordingly the revenue has been recognized.
- 2) In the case of Indian subsidiary sales are recognized on MRP.
- 3) Foreign currency fluctuations during the year are NIL (Previous year NIL).
- 4) Vat tax liability is accounted for on the basis of Vat tax returns filed and tax deposited by the Company. Additional liability, if any, arises at the time of assessment, will be accounted for in the year of finalization of the assessment.

**f) Foreign Exchange Transaction**

Indian Rupee is the reporting currency of the Company and its subsidiaries. However, the local currency of overseas subsidiary is different from the reporting currency of the Company. The translation of local currencies into Indian Rupee is performed by using the exchange rate as at the Balance Sheet date. Any exchange difference arising on consolidation is accumulated in the Foreign Currency Translation Reserve.

Transactions in foreign currencies are recorded by the reporting entities in their local currency at the rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the rates prevailing on the balance sheet date.

**g) Depreciation**

Consequent to the enactment of the Companies Act, 2013 (the act) and its applicability for the accounting periods after April 1, 2014, the company has computed depreciation with reference to the estimated economic lives of the fixed assets prescribed by the Schedule II to the Act, whereas till 31.03.2014, the company was charging the depreciation on WDV basis as per the rates prescribed in Income Tax Act, 1961. For assets whose life is over, the carrying value, net of residual value, aggregating to Rs.4.53 lacs as at April 1, 2014 has been adjusted to retained earnings and in other



assets the carrying value as at April 1, 2014 has been depreciated over the remaining of the revised useful life of the assets and recognized in the above financial results. As a result, charge of depreciation is higher by Rs. 5.20 Lacs for the Qtr and for the year ended March 31, 2015 and the net profit from activities before tax is lower by the same amount.

In the case of Indian subsidiary, Effective from 1<sup>st</sup> April, 2014, the company has charged depreciation based on the revised remaining useful life of assets as per the requirement of schedule II of the Companies Act, 2013. Based on schedule 'II' to the Companies Act, 2013, for the assets whose life is over, the carrying value, net of residual value, aggregating to Rs.13.20 lacs has been adjusted to retained earnings and in other assets the carrying value has been depreciated over the remaining of the revised useful life of the assets and recognized in the above financial statement

**h) Retirement Benefits**

Gratuity liability has been accounted for on an accrual basis.

Contribution to Provident Fund, Family Pension Scheme and E.S.I. are accounted for on an accrual basis and charged to Profit & Loss Account accordingly.

**i) Investment**

Investments are valued at cost. All Investments are treated as Long term Investments.

**j) Accounting of Taxes on Income**

In the case of a Company, no provision for current tax is made on the basis of taxable income for the current accounting year, in accordance with the provision of Income Tax Act, 1961.

In the case of Indian Subsidiary No provision for income tax on current year's income is made as the income of the year under report after setting off of the brought forward business losses comes to nil.

However, the deferred tax for the timing difference between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date in the case of Indian subsidiary. Deferred tax asset arising from timing difference are recognized to the extent there is reasonable certainty that these would be realized in the future and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

**k) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting policies in India

requires management to make estimates and assumption that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The 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 of accounting estimates is recognized prospectively in current and future periods.

**l) Impairment of Assets**

The Company assesses at each Balance Sheet whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. 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 recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014			
2.	SHARE CAPITAL ACCOUNT					
	Authorized					
	15,000,000 Equity Shares of Rs.10/- each	150,000,000.00	150,000,000.00			
	Issued					
	11,758,508 Equity Shares of Rs.10/- each	117,585,080.00	117,585,080.00			
	Subscribed & Paid up					
	11,590,958 Equity Shares of Rs.10/- each	115,909,580.00	115,909,580.00			
	TOTAL	115,909,580.00	115,909,580.00			
	Notes:					
i)	The company has one class of Equity Shares having a par value of Rs.10/- each. Each holder is eligible for one vote per share held.					
ii)	Detail of shares held by each shareholder holding more than 5% Shares					
	Sr. No.	Name of the Shareholder	No. of Shares	% holding	No. of Shares	% holding
	1.	Sh. Sanjeev Arora	2383464	20.56	2590346	22.35
	2.	Bhagyanagar India Ltd.	851668	7.35	1050002	9.06
	3.	Time Publishing House Ltd.	830833	7.17	0	0
	4.	Benett Coleman and Company Ltd.	0	0	847458	7.31
	5.	Sh. Kavya Arora	1016334	8.77	1016334	8.77
3.	RESERVES & SURPLUS					
a)	Capital Reserve					
	Opening Balance	92,198,920.52	92,198,920.52			
	Add: Transfer from Capital Subsidy	3,000,000.00	-			
	Add: Transfer from Forfeited Share Reserve	1,049,750.00	-			
	Closing Balance	96,248,670.52	92,198,920.52			
b)	Capital Subsidy					
	Opening Balance	3,000,000.00	3,000,000.00			
	Less : Transfer to Capital Reserve	3,000,000.00	-			
	Closing Balance	-	3,000,000.00			
c)	Forfeited Share Reserve					
	Opening Balance	1,049,750.00	1,049,750.00			
	Less : Transfer to Capital Reserve	1,049,750.00	-			
	Closing Balance	-	1,049,750.00			
d)	Securities Premium Reserve					
	Opening Balance	156,057,942.00	156,057,942.00			
	Additions during the year	-	-			
	Closing Balance	156,057,942.00	156,057,942.00			
e)	Investment Allowance Reserve (Utilised)					
	Opening Balance	987,000.00	987,000.00			
	Less: Transfer to profit & Loss Account	987,000.00	-			
	Closing Balance	-	987,000.00			
f)	Profit & Loss Account					
	Opening Balance	(223,324,246.01)	(245,605,820.49)			

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 (Amount in Rupees)**

NOTE	PARTICULARS	31.03.2015	31.03.2014
	Add: Transfer from Investment Allowance Reserve	987,000.00	
	Tax of earlier years	2,931,000.00	(627,360.74)
	Adjustment of Depreciation-SLM Basis	(1,772,274.89)	
	Profit/(Loss) during the year	22,903,460.47	22,908,935.22
	Closing Balance	(198,275,060.43)	(223,324,246.01)
	I) Foreign Currency Translation Reserve		
	Opening Balance	(13,754,559.29)	(12,892,920.56)
	Additions during the year	(360,293.77)	(861,638.73)
		(14,114,853.06)	(13,754,559.29)
	<b>TOTAL</b>	<b>39,916,699.03</b>	<b>16,214,807.22</b>
<b>4</b>	<b>LONG TERM BORROWINGS</b>		
	Secured		
	a) From Bank	2,492,963.00	16,409.67
	b) From Others	1,615,386.75	1,905,279.11
	<b>TOTAL</b>	<b>4,108,349.75</b>	<b>1,921,688.78</b>
	Secured against the Hypothecation of the vehicles		
<b>5</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	(a) From Related Parties	-	94,795,219.30
	(b) From Others	30,248,449.00	45,248,214.00
	(c) Security Received	1,311,800.00	770,530.00
	<b>TOTAL</b>	<b>31,560,249.00</b>	<b>140,813,963.30</b>
<b>6</b>	<b>TRADE PAYABLES</b>		
	a) Trade Payables	201,193,712.57	217,120,095.48
	<b>TOTAL</b>	<b>201,193,712.57</b>	<b>217,120,095.48</b>
	Trade Payables includes Rs. NIL (Previous year Rs. NIL) due to creditors registered with Micro, Small and Medium Enterprises Development Act, 2006(MSME)		
	No interest is paid/payable during the year to Micro, Small and Medium Enterprises.		
	The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.		
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advances from Customers	47,704,194.90	30,519,722.90
	Statutory Dues	3,132,726.89	7,357,229.10
	Other Liabilities	6,612,827.39	6,495,766.41
	Cheque Issued but presented later on	5,791,037.00	301,395.00
	<b>TOTAL</b>	<b>63,240,786.18</b>	<b>44,674,113.41</b>
<b>8</b>	<b>SHORT TERM PROVISIONS</b>		
	(a) Provision for employee benefits	1,947,992.00	1,821,333.08
	(b) Others	-	2,931,000.00
	<b>TOTAL</b>	<b>1,947,992.00</b>	<b>4,752,333.08</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 (Amount in Rupees)**

**NOTE PARTICULARS 31.03.2015 31.03.2014**

**9. TANGIBLE ASSETS**

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1.04.2014	Additions	Sale/ Deductions	As at 31.03.2015	Upto 1.04.2014	Adjustment of Dep on SLM Basis	For the Year	Adjustment/ Deductions	Upto 31.03.2015	As At 31.03.2015	As At 31.03.2014
Land	-	-	-	-	-	-	-	-	-	-	-
Freehold	-	-	-	-	-	-	-	-	-	-	-
Building	12,092,753.14	-	10,069,422.14	2,023,331.00	3,304,434.62	-	43,140.94	2,504,892.21	842,683.35	1,180,647.65	8,788,318.52
Plant & Machinery	5,540,170.26	967,614.00	-	6,507,784.26	2,573,588.47	22,668.66	475,786.64	-	3,072,043.77	3,435,740.49	2,966,581.79
Furniture & Fixture	15,294,026.26	925,366.00	-	16,219,392.26	5,773,240.16	1,340,370.75	1,463,162.68	-	8,576,773.59	7,642,618.67	9,520,786.10
Office Equipment	2,556,479.37	141,860.00	-	2,698,339.37	1,400,027.31	347,811.42	148,280.96	-	1,896,119.69	802,219.68	1,156,452.06
Vehicles	15,938,634.99	3,579,401.00	-	19,518,035.99	8,174,667.90	(6,564.94)	2,319,293.19	-	10,487,396.15	9,030,639.84	7,763,967.09
Computer	971,072.00	135,850.00	-	1,106,922.00	872,908.00	13,117.00	90,643.15	-	976,668.15	130,253.85	98,164.00
Intangible Assets	930,974.00	-	-	930,974.00	476,390.55	54,872.00	181,239.92	-	712,502.47	218,471.53	454,583.45
Goodwill	29,087,000.00	-	-	29,087,000.00	3,488,903.98	-	-	-	3,488,903.98	25,598,096.02	25,598,096.02
<b>TOTAL</b>	<b>82,411,110.02</b>	<b>5,750,091.00</b>	<b>10,069,422.14</b>	<b>78,091,778.88</b>	<b>26,064,160.99</b>	<b>1,772,274.89</b>	<b>4,721,547.48</b>	<b>2,504,892.21</b>	<b>30,053,091.15</b>	<b>48,038,687.73</b>	<b>56,346,949.03</b>
Previous Year	106,620,019.43	13,769,399.60	37,978,309.01	82,411,110.02	51,061,637.13	-	3,219,532.20	28,217,008.34	26,064,160.99	56,346,949.03	55,558,382.30

**10 NON CURRENT INVESTMENTS**

Unquoted

7238 Equity Shares of Rs.10/- each of Kishan Chand & Co. Oil Industries Ltd **72,380.00** -

**TOTAL**

**72,380.00** -

**11 OTHER NON CURRENT ASSETS**

**Deffered Revenue Expenditure**

Opening Balance **47,211,238.30** 47,211,238.30

Less: Written off during the year - -

**TOTAL** **47,211,238.30** **47,211,238.30**

**Preliminary Expenditure**

Opening Balance **145,532.70** 161,703.00

Less: Written off during the year **14,553.27** 16,170.30

**TOTAL** **130,979.43** **145,532.70**

**G. TOTAL** **47,342,217.73** **47,356,771.00**

**12 LONG TERM LOANS & ADVANCES**

Security Depsoits **3,830,309.47** 3,086,551.47

Other Loans & Advances, Considered Good **35,299,347.73** 46,457,944.06

**TOTAL** **39,129,657.20** **49,544,495.53**

**13 DEFFERED TAX ASSETS**

Opening Balance **843,445.58** 978,364.74

Add/(Less): Addition/(Reversal) During the year **16,240.20** (134,919.16)

**TOTAL** **859,685.78** **843,445.58**

**14 CURRENT INVESTMENTS**

Trade Investments

Quoted

1100 Equity Shares of Master Trust Ltd. **11,000.00** 11,000.00

400 Equity Shares of Rs.10/- each of Nahar Industrial Ent. **10,000.00** 10,000.00

420 Equity Shares of Rs.10/- each of Nahar Ploy Films Ltd **40,521.60** 40,521.60

330 Equity Shares of Rs.10/- each of Nahar Spinning Mills Ltd **31,838.40** 31,838.40

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 (Amount in Rupees)**

NOTE	PARTICULARS	31.03.2015	31.03.2014
	500 Equity Shares of Rs. 10/- each of R.S. Petro Products Ltd	9,950.00	9,950.00
	<b>Mutual Fund Investment</b>		
	Reliance Liquid Fund-Treasury Plan-DP-Growth (2714.420 Units)	7,288,281.84	-
		<u>7,391,591.84</u>	<u>103,310.00</u>
	Market Value of Quoted Investments	7,498,128.19	72,023.00
<b>15</b>	<b>Inventories</b>		
	(As taken, valued & certify by the management)		
	Real Estate	164,906,892.57	180,044,597.13
	Raw Material- Fabric	1,831,290.00	1,953,000.00
	Finished Goods	24,580,199.59	17,704,918.23
	Stock in Trade- Shares	35,000,000.00	35,000,000.00
	<b>TOTAL</b>	<u>226,318,382.16</u>	<u>234,702,515.36</u>
<b>16</b>	<b>Trade Receivables</b>		
	(Unsecured, Considered Good)		
	Outstanding for a period exceeding 6 months	434,545.31	679,517.99
	Others- Considered good	24,039,869.42	18,479,512.48
	<b>TOTAL</b>	<u>24,474,414.73</u>	<u>19,159,030.47</u>
<b>17</b>	<b>Cash &amp; Cash Equivalents</b>		
	Cash Balance on Hand	1,386,932.58	1,315,056.58
	Balance with Banks in Current Account	2,384,089.07	11,442,139.05
	Balance with Banks in FDR Account	488,481.71	11,671,526.71
	Cheque Deposited but presented later on	500,000.00	300,000.00
	<b>TOTAL</b>	<u>4,759,503.36</u>	<u>24,728,722.34</u>
<b>18</b>	<b>Short-Term Loans and Advances</b>		
	(Unsecured, considered good)		
	Taxes paid in advance	1,659,643.00	784,791.00
	Advances to suppliers	7,958,242.00	3,421,616.35
	Advances to Staff	47,170.00	353,576.84
	Other Loans & Advances	49,825,793.00	104,061,357.77
	<b>TOTAL</b>	<u>59,490,848.00</u>	<u>108,621,341.96</u>
<b>19</b>	<b>Revenue from Operations</b>		
	i) Sale of Real Estate	66,826,809.00	93,424,245.70
	Sale of Industrial Plots	11,000,000.00	6,500,000.00
	ii) Other Operating Income	101,732,888.00	58,870,199.08
	Sale of Garments etc		
	<b>TOTAL</b>	<u>179,559,697.00</u>	<u>158,794,444.78</u>
<b>20</b>	<b>Other Income</b>		
	Interest Income	5,498,637.91	9,730,919.00
	Common Area Maintenance Charges	1,275,270.00	-
	Balances Written Back	2,377,639.96	2,375,203.72
	Rent	-	93,238.00
	Misc Income	1,605,267.50	550,388.28
	<b>TOTAL</b>	<u>10,756,815.37</u>	<u>12,749,749.00</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 (Amount in Rupees)**

NOTE	PARTICULARS	31.03.2015	31.03.2014
<b>21</b>	<b>Cost of Material Consumed</b>		
	Opening Stock		
	- Real Estate	180,044,597.13	194,461,297.22
	- Raw Material	1,953,000.00	759,051.00
	- Shares	35,000,000.00	30,000,000.00
	Add: Purchases		
	i) Project Expenses	8,788,247.00	32,455,420.37
	ii) Purchase of Plots	11,500,000.00	11,750,000.00
	iii) Others	28,247,942.46	20,135,458.19
	iv) Shares	-	5,000,000.00
		<b>265,533,786.59</b>	<b>294,561,226.78</b>
	Closing Stock		
	- Real Estate	164,906,892.57	180,044,597.13
	- Raw Material	1,831,290.00	1,953,000.00
	- Shares	35,000,000.00	35,000,000.00
	Net Consumption	<b>63,795,604.02</b>	<b>77,563,629.65</b>
<b>22</b>	<b>Change in Inventories</b>		
	a) Opening Stock of		
	- Finished Goods	17,704,918.23	18,538,236.08
	b) Closing Stock of		
	- Finished Goods	24,580,199.59	17,704,918.23
	(Increase)/Decrease in Inventories	<b>(6,875,281.36)</b>	<b>833,317.85</b>
<b>23</b>	<b>Employee Benefits Expense</b>		
	Salaries & Wages#	16,044,778.00	13,055,656.00
	Contribution to Provident & Other Funds	167,179.00	119,511.00
	Other Benefits to Staff & Workers##	1,742,623.36	942,421.06
	Staff Welfare Expenses	691,725.00	464,979.00
	<b>TOTAL</b>	<b>18,646,305.36</b>	<b>14,582,567.06</b>
	# Includes Directors Remuneration Rs. 58,40,328.00 Previous Year Rs. 53,19,840.00		
	## Includes Directors Sitting Fee Rs. 69,000.00 (Previous Year Rs. 65,000.00) and Director's Allowances Rs. 3,64,992/- (Previous year Rs.1,57,680/-)		
<b>24</b>	<b>Finance Charges</b>		
	Interest	-	773,786.50
	Hire Purchase Charges	408,979.97	208,025.10
	Bank Charges	44,588.42	243,289.95
	<b>TOTAL</b>	<b>453,568.39</b>	<b>1,225,101.55</b>
<b>25</b>	<b>Depreciation &amp; Amortization Expenses</b>		
	Depreciation	4,721,547.48	3,219,532.20
	Preliminary Expenses Written Off	14,553.27	16,170.30
		<b>4,736,100.75</b>	<b>3,235,702.50</b>
<b>26.</b>	<b>Other Expenses</b>		
	Advertisement	2,019,456.64	5,859,354.44
	Electric Expenses	2,993,050.00	2,100,416.00
	Fees & Taxes	647,538.00	471,653.00



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015(Amount in Rupees)**

NOTE	PARTICULARS	31.03.2015	31.03.2014
	Freight Expenses	375,224.38	222,629.90
	Insurance Expenses	265,103.34	286,674.44
	Legal & Professional Charges	4,208,119.00	3,741,451.00
	Vehicle Expenses	1,775,584.14	1,850,798.68
	Postage & telephone Expenses	1,185,893.71	1,320,373.31
	Rent	5,492,166.00	4,882,550.00
	Balances Written off	483.68	156,823.95
	Bad Debts Written off	116,068.42	-
	Discounts	39,689,556.21	21,292,296.92
	Travelling and Conveyance Expenses#	7,863,627.12	9,603,444.91
	Charity & Donation	1,494,000.00	1,620,000.00
	Repair & Maintenance##	782,615.00	761,570.00
	Commission	990,917.00	609,344.00
	Sales Promotion Expenses	5,280,775.83	2,489,456.90
	Web Site Development Expenses	513,391.00	-
	Sales Return	10,262,327.29	-
	Other Expenses	9,290,850.09	3,624,524.32
	<b>TOTAL</b>	<b>95,246,746.85</b>	<b>60,893,361.77</b>
	# Includes Directors Travelling Rs. 37,40,840.79 Previous Year Rs. 50,41,682.34		
	## Repair and maintenance		
	Machinery Repair	172,809.00	57,477.00
	Electric Repair	49,635.00	192,653.00
	Building Repair	78,601.00	-
	General Repair	481,570.00	511,440.00
<b>27</b>	<b>Exceptional Items</b>		
	Profit on Mutual Fund Investments	938,281.84	-
	<b>TOTAL</b>	<b>938,281.84</b>	<b>-</b>
<b>28</b>	<b>Extraordinary Items</b>		
	Profit/(Loss) on Sale of Fixed Assets	7,635,470.07	11,983,340.98
	<b>TOTAL</b>	<b>7,635,470.07</b>	<b>11,983,340.98</b>
<b>29</b>	<b>Earning Per Share</b>		
	a) Net profit after tax	22,903,460.47	22,908,935.22
	b) Total weighted Average Number of Shares for Basic	11,590,958.00	11,590,958.00
	c) Basic and Diluted Earning per Share	1.98	1.98

**30. Contingent Liabilities**

Bank Gurantee NIL (Previous year Rs.183.66 Lacs)  
(Refer Note No. 36)

**31. Particulars of subsidiary companies considered in the consolidated financial statements are:**

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest as at 31.03.2015	Proportion of ownership interest as at 31.03.2014
Catalina bay USA Inc.	USA	100%	100%
Femella Fashions Private Limited	India	100%	100%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**(Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
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32. Insurance claims of Rs. Nil (Previous Year Rs. 21675/-) are being accounted for on receipt basis.
33. Debit & Credit balances are subject to confirmation & reconciliation, if any.
34. In the case of Indian Subsidiary, Due to the smallness of profit during the year, no portion of deferred revenue expenditure of Rs. 472.11 Lacs being carried forward from the previous year could be written off.
35. The payment of remuneration made to Mg. Director, Executive Director and other Directors are as under:  
A- By Company

Particulars	2014-15	2013-14
Salary to Chairman Cum Mg. Director - Sh. Sanjeev Arora	Rs.30,00,000/-	Rs.30,00,000/-
Salary to Director - Sh. Kavya Arora	Rs.12,00,000/-	Rs. 6,00,000/-
Salary to Executive Director - Sh. Roop Kishore Fatehpuriya	Rs.10,40,328/-	Rs.11,19,840/-
Perks to Executive Director - Sh. Roop Kishore Fatehpuriya	Rs.3,64,992/-	Rs.1,57,680/-
Sitting Fee to Directors	Rs.69,000/-	Rs.65,000/-
Rent recovered from Chairman Cum Mg. Director - Sh. Sanjeev Arora	Rs.4,50,000/-	Rs.4,50,000/-

B- By Indian Subsidiary

Particulars	2014-15	2013-14
Salary to Director - Sh. Kavya Arora	Nil	Rs. 75,000/-
Salary to Director - Ms. Ketki Arora	Rs. 6,00,000/-	Rs. 5,25,000/-

36. The Udyog Shahik, Chandigarh has allotted 40 Acres of Land vide Letter No. US/337 – U Dt. 22/04/94. The sale deeds & possession of the above said land is with the company and its associate companies. Collector Land Acquisition, Department of Industries and Commerce, Punjab, Chandigarh had issued various demand notices being the enhanced compensation to be paid to the Land Owners. The farmers had filed the petition for price enhancement before the Hon'ble High Court of Punjab and Haryana, which had fixed the basic compensation of Rs.6.70 Lacs per Acre vide order dated 25.08.2005 instead of Rs.4.50 Lacs per Acre as awarded by reference court. The farmers and Collector Land Acquisition, Punjab contested the above order of the Hon'ble High Court of Punjab and Haryana before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated 25.03.2015 has decided the above matter and had affirmed the order of the Hon'ble High Court of Punjab and Haryana. As soon as the demand will be raised against the company by the Collector Land Acquisition, Punjab, it shall be accounted for in the Books of Accounts.
37. Related Parties Disclosure  
A) Related parties where control exists or with whom transactions have taken place during the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015(Amount in Rupees)**

**NOTE PARTICULARS 31.03.2015 31.03.2014**

**ASSOCIATED/ALLIED COMPANIES**

- Ritesh International Limited- up to 25.07.2013
- Ritesh Spinning Mills Limited
- Kamal Oil & Allied Industries (P) Ltd- w.e.f 04.05.2013
- Ritesh Impex Private Ltd
- H.B. Fibres Limited
- K P Advisors(Realty) Pvt Ltd

**KEY MANAGERIAL PERSONNEL REPRESENTED ON THE BOARD**

- Sh. Sanjeev Arora Chairman cum Managing Director
- Sh. Rajiv Arora Director\*
- Sh. Roop Kishore Fatehpuriya Executive Director
- Sh. Kavya Arora Director & CFO
- Sh. Surendar K Sood Director
- Sh. Gurpreet Singh Brar Director
- Ms. Ketki Arora Director(Indian Subsidiary)
- \* Up to 25.07.2013
- Mrs. Guneet Arora Wife of Sh. Kavya Arora, Director and Daughter in Law of Sh. Sanjeev Arora, Chairman cum Managing Director

B) The following is a summary of significant related party transactions:

Sr. No.	Name of Company/ Firm/Individual	Nature of Transaction	2013-14 (Rs.)	DR/ CR	2012-13 (Rs.)	DR/ CR
1.	Ritesh International Ltd, Associated/ Allied Company	-Cheques Recd. -Cheques Recd. -Expense - Fixed Assets Sale Purchase	NIL NIL NIL NIL NIL NIL	CR DR  DR CR	16697785.00 104322.50 100000.00 515000.00 99000.00	CR DR  DR CR
2.	Ritesh Spinning Mills Ltd, Associated/ Allied Company	- Loan Repaid - Loan Received - Expenses	100901019.30 6110000.00 4200.00	DR CR DR	137905000.00 10212000.00	DR CR
3.	H.B. Fibres Ltd, Associated/ Allied Company	- Loan Received Back -Expenses	11470000.00  6000.00	CR DR	6990000.00 NIL	CR
4.	Femella Fashions (P) Ltd, Subsidiary Company	- Loan Given - Cheques Recd - Sales - Purchase - Expenses - Expenses Reimbursement - Sale of Fixed Assets - Other Payments on behalf	10350000.00 4300000.00   7235.00  50000.00	DR CR DR CR DR CR DR	5940000.00 1400000.00 NIL NIL 492795.40 450000.00 23489.00 363200.00	DR CR DR CR DR CR DR DR
5.	Ritesh Impex (P) Ltd, Associated/ Allied Company	Expenses	2800.00	DR	NIL	
6.	K P Advisors (Realty) Pvt Ltd- Associated/ Allied Company	Expenses	1200.00	DR Dr	Nil Nil	
7.	Kamal Oil & Allied Industries (P) Ltd	Loan Given	53643.00	Dr	Nil	
8.	Guneet Arora, Others	Professional Charges	500000.00	CR	300000.00	Cr
9.	Sh. Kavya Arora, KMP	Salary	1200000.00		6000000.00	
10.	Sh. Sanjeev Arora, KMP	Cheques Recd Cheques Paid Salary Rent Recovered	3750000.00 3750000.00 3000000.00 450000.00	CR DR	2150000.00 2150000.00 3000000.00 450000.00	CR DR
11.	Sh. Roop Kishore Fatehpuriya, KMP	Salary Perks	1040328.00 364992.00		1119840.00 157680.00	
12.	Sh. Surinder K Sood KMP	Sitting Fee	29000.00		65000.00	
13.	Sh. Gurpreet Singh Brar- KMP	Sitting Fee	40000.00		NIL	
14.	Ms. Ketki Arora, KMP-Indian Subsidiary	Salary	600000.00		525000.00	
15.	Sh. Kavya Arora, KMP- Indian Subsidiary	Salary	NIL		75000.00	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015(Amount in Rupees)**

**NOTE PARTICULARS 31.03.2015 31.03.2014**

**C) Amount due From/To Related Parties**

Particulars		As on 31.03.2015 (Rs.in Lacs)	As on 31.03.2014 (Rs.in Lacs)
i)	Due from Related Parties (included in Loans & Advances & Sundry Debtors)		
	- Associate/Allied Concern	151.61	265.68
	- Others	NIL	NIL
ii)	Due to Related Parties (included in Current Liabilities & Unsecured Loans)		
	- Associate/Allied Concern	NIL	947.95
	-Due to Key Managerial Personnel	NIL	NIL

**38. Leases (AS-19):**

S. No.	Particulars	31.03.2015	31.03.2014
a.	The total of future minimum lease payment under non-cancelable operating leases for each of the following periods: 1. not later than one year; 2. later than one year and not later than five year; 3. later than five years;	Rs. 21,60,000/- Rs.30,81,756/- Nil	Rs. 24,00,000/- Rs. 8,00,000/- Nil
b.	The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet;	Nil	Nil
c.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	Rs. 54,92,166/-	Rs.53,32,550/-
d.	Sub-leases payments received (or receivable) recognized in the statement of profit and loss for the period;	NIL	Rs.93,238/-
e.	A general description of the lessee's significant leasing arrangements including the following; The existence and terms of renewal or purchase options and escalation clauses; and restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.	In the case of Indian subsidiary, The lease agreement for the company's office premises in Udhog Vihar ,Gurgaon is renewable every three year subject to escalation of 7%. The current rental for the office space is Rs. 1,23,650/- per month exclusive of service tax. Apart from this rental of Rs.26,600/- per month is paid for Guest House at Palam Vihar, Gurgaon.	In the case of Indian subsidiary, The lease agreement for the company's office premises in Udhog Vihar ,Gurgaon is renewable every three year subject to escalation of 7% the rental for the office space is Rs. 1,23,650/- per exclusive of service tax. Out of month this Rs. 75,000/- per month for six month is being reimbursed by the holding company for sharing the space of said premises. Apart from this rental of Rs. 25,300/- per month is paid for Guest House at Palam Vihar, Gurgaon.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**(Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
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**39. Segment Reporting**

Segment reporting is not given as the company deals mainly in one segment and the disclosure requirements of Accounting Standards (AS)-17 on "Segment Reporting", issued by The Institute of Chartered Accountants of India are not applicable.

**40.** Expenditure in Foreign Currency on Travelling is Rs. 83,189/-  
(P.Y Rs.3,58,977/-).

**41.** In the opinion of the Board, all the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated other wise.

**42.** Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.

**43.** Corresponding figures of previous year have been regrouped/rearranged wherever deemed necessary.

**44.** In the case of Indian subsidiary, Preliminary Expenses have been written off within 10 years as per Section 35 D of Income Tax Act, 1961.

Significant to Notes 1 to44

Auditor's Report

as per our report of even date

**For and on behalf of the Board**

For **S.M. Mathur & Co.**

(FRNo.006588N)

Chartered Accountants

sd/-

**(S.M. Mathur)**

Prop.

M.No.013066

sd/-

**(Sanjeev Arora)**

Chairman-cum-

Mg. Director

sd/-

**(Kavya Arora)**

Executive

Director

& CFO

sd/-

**(Roop Kishore Fatehpuriya)**

Executive Director

sd/-

**(Himani Khanna)**

Company Secretary

Place: New Delhi

Date : 30.05.2015

## RITESH PROPERTIES AND INDUSTRIES LIMITED

Regd. Office: 11/5B,Pusa Road, New Delhi-110006

CIN: L74899DL1987PLC27050

### ATTENDANCE SLIP

Member's Folio No. : .....  
Client ID No. : .....  
DP ID No. : .....  
Name of the Member : .....  
Name of Proxy holder : .....  
No of shares held : .....

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company held on Friday 29<sup>th</sup> day of September, 2015 at 11.00 a.m. 11/5B, Pusa Road, New Delhi 110006

\_\_\_\_\_  
Signature of Member/Proxy

#### NOTES :

1. **Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.**

**NO GIFTS/COUPONS SHALL BE DISTRIBUTED AT THE MEETING**



CUT HERE



## RITESH PROPERTIES AND INDUSTRIES LIMITED

Regd. Office: 11/5B,Pusa Road, New Delhi-110006

CIN: L74899DL1987PLC27050

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013  
and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : .....

Registered address: .....

E-mail Id: .....

Folio No./Client Id: .....

DP ID : .....

I/We, being the Member (s) of .....sha res of the above named company, hereby appoint

Name:..... Address : .....

E-mail Id:.....Signature:.....,or failing him

Name:.....Address : .....

E-mail Id:.....Signature:.....or failing him

Name:..... Address : .....

E-mail Id:.....Signature:.....

as my/our proxy to a(end and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the company, to be held on Tuesday, September 29<sup>th</sup>, 2015 at 11.00 a.m. at M.L.Bharita Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi 110003 and at any adjournment thereof in respect of such resolution as are indicated below:





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Resolution No.	Resolution	For	Against
1	To receive, consider and adopt Audited Financial Statements along with reports of the Board Directors and Auditors there on for the financial year ended March 31, 2015.		
2	To appoint a Director in place of Mr. Sanjeev Arora (DIN 00077748), who retires and being eligible, offers himself for re-appointment as an Chairman-Cum-Managing Director.		
3	Appointment of Statutory Auditor and fixing their remuneration.		
4.	Increase in Remuneration of Sh. Sanjeev Arora (DIN 00077748) as a Chairman-Cum-Managing Director.		
5.	Appointment of Sh. Sanjeev Arora (DIN: 00077748) as a Chairman-Cum-Managing Director.		
6	Increase in remuneration of Sh. Kavya Arora (DIN 02794500) as an Executive Director.		
7	Appointment of Sh. Roop Kishore Fatehpuriya, (DIN 00887774) as an Executive Director and fix their remuneration.		



Signature of shareholder : .....

Signed this ..... day of ..... 2015

Signature of Proxy holder(s) : .....

.....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the Meeting.



## NOTES

**Venue of AGM**  
**Ritesh Properties and Industries limited**

Max Muller Marg

M.L.Bhartia Auditorium  
Alliance Francaise de Delhi,  
72, Lodhi Estate, New Delhi

Lodhi Road

Lodhi Road