



**26<sup>th</sup>**

**Annual Report**

**2012-2013**

**RITESH PROPERTIES & INDUSTRIES LIMITED**

# MANAGEMENT

## BOARD OF DIRECTORS

<b>Chairman-Cum-Managing Director</b>	Mr. Sanjeev Arora
<b>Executive Director</b>	Mr. Roop Kishore Fatehpuria
<b>Directors</b>	Mr. Surinder K. Sood Dr. Gurpreet Singh Brar Mr. Kavya Arora
<b>Company Secretary</b>	Mr. Gourav Kapoor
<b>Auditors</b>	M/s. S. M. Mathur & Co. Chartered Accountants 162, Arya Samaj Road, Karol Bagh, New Delhi-110005
<b>Bankers</b>	<b>Allahabad Bank</b> Clock Tower, Ludhiana
<b>Head Office Cum Project Office</b>	Focal Point, Phase-VIII Chandigarh Road, Ludhiana -141011
<b>Registered Office</b>	11/5B, 1st Floor, Param Tower, Pusa Road, New Delhi-110005
<b>Registrar &amp; Share Transfer Agent</b>	Skyline Financial Services(P) Ltd D-153-A, First Floor Okhla Industrial Area Phase-I, New Delhi- 110020 Phones: 011-30857575 (10 Lines) Fax: 011-30857562 e-mail: grievances@skylinerta.com

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## NOTICE

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Ritesh Properties and Industries Limited will be held on Wednesday, 25<sup>th</sup> day of September, 2013 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 the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2013 and Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Surinder Kumar Sood, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year 2013-14 and to fix their remuneration.  
M/s. S M Mathur & Co. Chartered Accountants, New Delhi, the retiring auditors being eligible offer themselves for re-appointment.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Dr. Gurpreet Singh Brar, who was appointed as an Additional Director with effect from May 15,2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received by the Company, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the Company liable to retirement by rotation."
5. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:  
"RESOLVED THAT in accordance with the provisions of section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies

Act, 1956 and subject to Schedule XIII of the Companies Act,1956 and subject to such sanctions, approvals as may be necessary, the Company hereby approves the increase in remuneration of Mr. Roop Kishore Fatehpuria, Executive Director of the Company from Rs.92,575/- p.m. to 1,05,660/- p.m. w.e.f. 1<sup>st</sup> April, 2013 for the remaining tenure of his appointment with liberty to the Board of Directors (herein after referred to as "Board" which term shall be deemed to include the 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 deem fit and agreed to by Mr. Roop Kishore Fatehpuria."  
"RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay Mr. Roop Kishore Fatehpuria the above mentioned remuneration as minimum remuneration."

"RESOLVED FURHTER THAT the Board of Directors be and is 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 Executive Director as permissible under Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is 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 XIII of the Companies Act, 1956."

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

Place : New Delhi

Dated : 30.05.2013

sd/-

(Sanjeev Arora)

Chairman-Cum-Managing Director

**NOTES:**

- i) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and such proxy need not be a member of the Company. The Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. The blank proxy form is enclosed herewith.**
- ii) The register of members and the share transfer book of the Company will remain closed from 23<sup>rd</sup> September, 2013 to 25<sup>th</sup> September, 2013 (both days inclusive).
- iii) Any member of the Company on demand shall be entitled to be furnished free of cost, a copy of the Balance Sheet of the Company and of every document required by the law to be annexed thereto including the Profit & Loss Statement and the Auditor's Report. Copies of these documents will also be kept open for 21 days before the date of the meeting.
- iv) 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.
- v) Members/proxies are requested to bring their attendance slips sent herewith duly filled in for attending the meeting.
- vi) 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**Item No.4**

Dr. Gurpreet Singh Brar was appointed as an Additional Director by the Board of Director w.e.f. May 15, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Dr. Gurpreet Singh Brar on the Board would be beneficial to the company. Therefore, the necessary resolutions have been included in the notice convening the Annual General Meeting for your approval.

None of the Directors is concerned or interested in the proposed resolution except Dr. Gurpreet Singh Brar, the proposed appointee.

**Item No.5**

The Board of Directors & the Remuneration Committee of the Board of Directors in their meeting held on 30.05.2013 has approved increase in remuneration of Mr. Roop Kishore Fatehpuria, Executive Director of the Company from Rs. 92,575/- per month to Rs. 1,05,660/- per month with effect from 1<sup>st</sup> April, 2013 for the remaining tenure of his appointment, subject to the approval of shareholders of the Company. The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956. Therefore, the necessary resolutions have been included in the notice convening the Annual General Meeting for your approval.

None of the Directors is concerned or interested in the proposed resolution except Mr. Roop Kishore Fatehpuria.

By Order of the Board

For **Ritesh Properties and Industries Limited**

Place : New Delhi

sd/-

Dated : 30.05.2013

(Sanjeev Arora)

Chairman-Cum-Managing Director

**Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Directors seeking appointment/re-appointment.**

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/reappointed is given below:-

Name of Director	Surinder Kumar Sood	Gurpreet Singh Brar
Date of Birth	29-04-1939	15-08-1966
Date of Appointment	14-07-2005	15-05-2013
Expertise	He has more than 45 years of experience in trade and industry.	Surgical Oncologist
Qualification	Graduate	M. Ch. (Surgical Oncology)
Directorships of other Companies as on date	Nil	Nil
Chairmanships/Memberships of Committees of other Companies as on date	Nil	Nil
No. of shares held as on date	Nil	Nil
Relationship with other Directors	Not related to any Director of the Company	Not related to any Director of the Company

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

Place : New Delhi  
Dated : 30.05.2013

sd/-  
**(Sanjeev Arora)**  
Chairman-cum-Managing Director

## Directors' Report

To the Members,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

Particulars	Amount (Rs. In Lacs)	
	2012-2013	2011-2012
Operating income	800.33	1080.22
Profit/(Loss) before Depreciation	122.79	131.27
Less: Depreciation	26.92	89.07
Profit/(Loss) for the year before Tax	95.87	42.20
Provision for taxation	(17.00)	(7.81)
Profit/(Loss) after Tax	78.87	34.39

### OPERATIONAL REVIEW

During the year under review your Company's operating income was of Rs. 800.33 Lacs as compared to Rs. 1080.22 lacs during the previous year. The Company has earned a profit of Rs. 78.87 lacs as compared to Rs. 34.39 lacs during the previous year.

### SUBSIDIARIES

The Company has following subsidiary companies the details of profitability of which are given below:

Femella Fashions Private Limited, a wholly owned subsidiary was incorporated on 29<sup>th</sup> day of June, 2007 to Venture in Retailing of garments & accessories. The Company's operating income was Rs. 303.64 lacs during the year under review.

Catalina Bay USA The Company holds 100% shareholding in Catalina Bay USA Inc., a Company established in USA in the business of marketing garments. This helps the Company in marketing its garments.

### DIRECTORS

Mr. Surinder Kumar Sood, Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Dr. Gurpreet Singh Brar has been appointed as an additional director of the Company w.e.f. 15.05.2013.

Appropriate resolution seeking your approval to the aforesaid appointment/re-appointment are appearing in the Notice convening 26<sup>th</sup> Annual General Meeting of your Company.

### DIVIDEND

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

### PUBLIC DEPOSITS

The Company has not accepted any deposits during the year under review.

### AUDITORS

The Auditor, M/s S. M. Mathur & Co. Chartered Accountants, New Delhi, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment. They have furnished a certificate to the effect that the re-appointment if made shall be in accordance with Section 224(1B) of the Companies Act, 1956. As regards Auditor's observation, the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 the Directors confirm:

- That in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- That the Directors 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 as at 31<sup>st</sup> March, 2013 and other Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the annual accounts on a going concern basis.

#### **COMPOSITION OF AUDIT COMMITTEE**

The composition of the Audit committee as on date is as under.

- Mr. Surinder K. Sood (Chairman)
- Mr. Roop Kishore Fatehpuria (Member)
- Mr. Kavya Arora (Member)

#### **COMPOSITION OF REMUNERATION COMMITTEE**

The composition of the Remuneration committee as on date is as under.

- Mr. Surinder K. Sood (Chairman)
- Mr. Roop Kishore Fatehpuria (Member)
- Mr. Kavya Arora (Member)

#### **COMPOSITION OF SHARE TRANSFER AND SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE**

The composition of the Share Transfer and Shareholders'/ Investors Grievance Committee as on date is as under.

- Mr. Surinder K. Sood - Chairman
- Mr. Roop Kishore Fatehpuria - Member
- Mr. Kavya Arora - Member

#### **PAYMENT OF LISTING FEE:**

The company has paid listing fees to Bombay Stock Exchange and Delhi Stock Exchange.

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

Information as per Section 217(1) (e), read with Companies (Disclosure of Particulars in the report of

Board of Directors) Rules, 1988 are given in the Annexure forming part of this Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as per Clause 49 of the Listing Agreement are given in the Annexure forming part of this Report.

#### **CORPORATE GOVERNANCE REPORT**

Corporate Governance Report as per Clause 49 of the Listing Agreement is given in the Annexure forming part of this Report.

#### **PERSONNEL**

The Management-Employees relations remained very cordial throughout the year. Your Directors wish to place on record their appreciation of sincere and devoted services rendered by all the workers and staff at all levels.

#### **PARTICULARS OF EMPLOYEES U/S 217(2A) OF THE COMPANIES ACT, 1956**

There was no employee who falls under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 2002.

#### **ACKNOWLEDGEMENTS**

Your Directors acknowledge with gratitude, the continuing co-operation and assistance rendered by Financial Institutions, Banks, Government Agencies, Suppliers and other organization in the working of the Company.

For and on behalf of the Board

**For Ritesh Properties and Industries Limited**

Place : New Delhi

sd/-

Dated : 30.05.2013

(Sanjeev Arora)

Chairman-Cum-Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013.

### I. CONSERVATION OF ENERGY

The Company has undertaken the development of Hampton Court Business Park at its existing Manufacturing Unit. 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

- a) 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.
- b) Total Foreign Exchange used and earned:

Particulars	(Rs. in Lacs)	
	2012-2013	2011-2012
Used	-	-
Earned	-	-

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

Place : New Delhi

Dated : 30.05.2013

sd/-  
**(Sanjeev Arora)**  
Chairman-Cum-Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure, Developments, Opportunities and Threats:

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 year, 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. 800.33 lacs. The company has earned profit of Rs. 95.87 lacs. The net worth of the Company has increased by 74.54 lacs, the secured loans have increased by Rs. 7.83 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 effect 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 had employed 11 persons as on 31<sup>st</sup> March, 2013.

### 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.

**For and on behalf of the Board**

**For Ritesh Properties and Industries Limited**

**Place : New Delhi**

sd/-

**Dated : 30.05.2013**

**(Sanjeev Arora)**

**Chairman-Cum-Managing Director**

## CORPORATE GOVERNANCE REPORT

### 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.

Your Company's endeavor has always been to engage persons of eminence as independent directors who can contribute to the corporate strategy, provide an external perspective and be a source of challenge and evaluation wherever appropriate. Your Company has the good fortune of having independent directors.

### 2. Board of Directors

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

The Company has a strong and broad-based Board consisting of Five 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, two of which are executive directors and three non-executive directors. The Company is having a 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	Number of Directorships held #	Number of Board Committee Membership held @	Number of Board Committee Chairmanships held @
Mr. Sanjeev Arora	Chairman-Cum- Managing Director	Promoter	5	-	-
Mr. Rajiv Arora	Director	Promoter	5	2	1
Mr. Roop Kishore Fatehpuria	Executive Director	Independent	2	2	-
Mr. Surinder K. Sood	Director	Independent	1	2	2
Mr. Kavya Arora	Director	Promoter	5	2	-
Dr. Gurpreet Singh Brar*	Additional Director	Independent	1	-	-

\* appointed w.e.f. 15.05.2013

#including Ritesh Properties and Industries Limited

@ Board Committee for this purpose includes Audit Committee and Share Transfer and Shareholders/ Investors Grievance Committee (Including Board Committee of Ritesh Properties and Industries Limited).

Independent Director means a non-executive Director who apart from receiving Director's remuneration does not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in judgment of the Board may affect the independence of judgment of the Directors.

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, thirteen Board Meetings were held on the following dates:

Date of Board Meeting	Board Strength	Number of Directors present
April 20, 2012	5	5
May 15, 2012	5	5
July 06, 2012	5	5
July 14, 2012	5	5
August 14, 2012	5	5
August 27, 2012	5	5
October 17, 2012	5	5
November 14, 2012	5	5
December 26, 2012	5	5
January 11, 2013	5	5
February 07, 2013	5	5
February 09, 2013	5	5
March 29, 2013	5	5

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
Mr. Rajiv Arora	13	-
Mr. Sanjeev Arora	13	13
Mr. Surinder K. Sood	13	13
Mr. Roop Kishor FatehPuria	13	13
Mr. Kavya Arora	13	13

Mr. Sanjeev Arora, Chairman-cum-Managing Director, Mr. Kavya Arora, Director and Mr. Surinder K. Sood, Director were present at the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2012 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. 36 of the Notes to the Accounts attached with the financial statements for the year ended March 31<sup>st</sup>, 2013.

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 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. Mr. Surinder K. Sood (Chairman), Mr. Roop Kishore Fatehpuria and Mr. Kavya Arora.

The committee met five times during the last year on 15<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 27<sup>th</sup> August 2012, 14<sup>th</sup> November 2012 and 9<sup>th</sup> February 2013 the details of which are as under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Surinder K. Sood	5	5
Mr. Kavya Arora	5	5
Mr. Roop Kishore Fatehpuria	5	5

#### **SHARE TRANSFER AND SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE**

The Share Transfer and Shareholders'/ Investors Grievance Committee consists of three members Mr. Surinder K. Sood (Chairman), Mr. Roop Kishore Fatehpuria and Mr. Kavya Arora.

The details of the meetings are as under:

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Surinder K. Sood	12	12
Mr. Roop Kishore Fatehpuria	12	12
Mr. Kavya Arora	12	12

During the financial year 2012-13, the Company has received 16 complaints. The Complaints are related to transfer, dematerialisation, dividend etc. and all the complaints have been duly resolved by the Company. Further there is no pendency in respect of shares received for transfer during the financial year 2012-13.

No investor grievance was pending on March 31, 2013.

#### **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, Mr. Surinder Kumar Sood retires by rotation in the ensuing Annual General Meeting. The Board has recommended the re-election of Mr. Surinder Kumar Sood to the shareholders. Dr. Gurpreet Singh Brar who was appointed as Additional Director during the year under review and whose term of office expires at ensuing Annual General Meeting, has been recommended for re-election.

##### **b) Communication to Shareholders**

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

##### **c) Compliance Officer**

Mr. Roop Kishore Fatehpuria is the Compliance Officer of the Company. He can be contacted for any investors' related matter relating to the Company. His contact nos. are 91-161-214104-05, fax no. is 91-161-2174106 and e-mail ID is ludhiana@catalinabay.com.

**d) General Body Meetings**

**I. The details of last three Annual General Meetings were held as per the details given below:**

Year	Venue	Date & Time
2011-2012	M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi-110003	28th September, 2012 at 11:00 a.m.
2010-2011	Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi-110003	28th September, 2011 at 11:00 a.m.
2009-2010	West Richi Rich Banquets, Near Mayapuri Chowk, Ring Road, New Delhi-110015	28th September, 2010 at 11:00 a.m.

**e) Postal Ballot:**

The shareholders of the Company have not approved any resolution by means of Postal Ballot.

**6. General Shareholders Information**

The following information would be useful to our shareholders:

**a) Annual General Meeting**

**Date and Time:** 25<sup>th</sup> day of September, 2013 at 11.00 a.m.

**Venue:** M.L. Bhartia Auditorium, Alliance Francaise De Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi.

**Financial Year:** 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013.

**b) Financial Calendar 2013-14 (Tentative)**

First Quarter Results	August, 2013
Second Quarter Results	November, 2013
Third Quarter Results	February, 2014
Annual Results	May, 2014

**c) Date of Book Closure:**

23<sup>rd</sup> day of September, 2013 to 25<sup>th</sup> day of September, 2013 (both days inclusive)

**d) The shares of the Company are listed on the following stock exchanges:**

**Name and Address of Stock Exchanges**

**Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

**The Delhi Stock Exchange Association Limited**

DSE House, 3/1 Asaf Ali Road, New Delhi-110002

There are no pending dues with Bombay Stock Exchange and Delhi Stock Exchange.

**e) Registrar & Transfer Agent**

Skyline Financial Services Private Limited

D-153-A, First Floor

Okhla Industrial Area, Phase-I

New Delhi- 110020

Phones: 011-30857575 (10 lines)

Fax: 011-30857562

E-mail: 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 sensex are given hereunder:

Month	BSE				
	Share Prices		Volume	Sensex	
	High	Low		High	Low
April, 2012	9.34	5.60	1,88,825	17,664.10	17,010.16
May, 2012	11.68	6.22	1,63,001	17,432.33	15,809.71
June, 2012	8.06	6.75	30,224	17,448.48	15,748.98
July, 2012	8.36	6.03	10,670	17,631.19	16,598.48
August, 2012	7.68	4.81	52,944	17,972.54	17,026.97
September, 2012	5.56	4.81	32,265	18,869.94	17,250.80
October, 2012	6.03	4.34	34,260	19,137.29	18,393.42
November, 2012	6.45	4.54	17,475	19,372.70	18,255.69
December, 2012	6.00	5.00	37,856	19,612.18	19,149.03
January, 2013	7.45	5.17	59,495	20,203.66	19,508.93
February, 2013	6.66	5.11	47,233	19,966.69	18,793.97
March, 2013	7.62	5.56	1,44,108	19,754.66	18,568.43

Source: 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. Share Transfer Committee met 12 times and 2500 shares were transferred and 11700 shares were de-materialized during the year under review.

**h) Dematerialisation of Shares**

82.92% of Equity Shares of the Company are in dematerialized form as on 31<sup>st</sup> March, 2013. 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

**j) Shareholding Pattern:**

Shareholding pattern in Ritesh Properties and Industries Limited as on March 31<sup>st</sup>, 2013 and March 31<sup>st</sup>, 2012 for the purpose of reporting in the Annual Report of the Company for the year 2012-13 is given as under:

Category	As On 31.03.2013		As On 31.03.2012	
	No. of Equity Shares	%	No. Of Equity Shares	%
Promoter & Promoter Group	38,72,115	33.41	34,61,666	29.27
Mutual Funds/ UTI	200	0.00	200	0.00
Body Corporate	33,43,038	28.84	44,41,424	38.32
NRIs	1,28,165	1.11	1,28,070	1.10
Others	42,47,440	36.64	35,59,598	30.71

**k) Distribution of Shareholding**

As on March 31<sup>st</sup>, 2013 the distribution of shareholding was as follows:

Share holding of Nominal value of Rs.	Shareholders		No. of Share held	
	Number	%	Number	%
Upto 5000	16674	94.63	2516281	21.71
5001 to 10000	481	2.73	403540	3.48
10001 to 20000	226	1.28	346721	2.99
20001 to 30000	69	0.39	178121	1.54
30001 to 40000	31	0.18	108452	0.94
40001 to 50000	31	0.18	147297	1.27
50001 to 100000	46	0.26	316672	2.73
100001 And Above	63	0.36	7573874	65.34
<b>Total</b>	<b>17621</b>	<b>100.00</b>	<b>11590958</b>	<b>100.00</b>

**l) Address for Correspondence**

Ritesh Properties and Industries Limited,  
Secretarial Department,  
11/5B, 1<sup>st</sup> Floor, Pusa Road,  
New Delhi  
Phone Nos. 011-25862110  
Fax No. 011-25862111



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

To

**The Members of**

**Ritesh Properties & Industries Limited**

We have examined the compliance of the conditions of the Corporate Governance by Ritesh Properties & Industries Limited for the year ended 31<sup>st</sup> March 2013, 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 Shareholders'/ Investor's Grievance 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.

Membership No. 013066

Place : New Delhi  
Dated : 30.05.2013

## CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Sanjeev Arora, Chairman-cum-Managing Director of Ritesh Properties & 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, 2013 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, 2013.

For **Ritesh Properties and Industries Limited**

sd/-

**Sanjeev Arora**

**(Chairman-cum-Managing Director)**

Place : New Delhi  
Dated : 30.05.2013

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**RITESH PROPERTIES AND INDUSTRIES LIMITED**

## AUDITORS' REPORT

To  
The Members of  
**Ritesh Properties and Industries Limited,**  
**Report on the Financial Statements**

We have audited the accompanying financial statements of Ritesh Properties & Industries Limited (the "Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2013 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

### **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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) As required by section 227(3) of the Companies Act, 1956, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956,
  - e) on the basis of written representations received from the directors, as on 31<sup>st</sup> March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **S. M. Mathur & Co.**,  
Chartered Accountants  
(Firm Registration No. 006588N)

Place: New Delhi  
Dated: 30.05.2013

sd/-  
**(S. M. Mathur)**  
Prop.  
**M. No. 013066**



## ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph (1) of our Report of even date)

1.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.
  - c) As per the information and explanations given to us, the company has not disposed off any substantial part of its fixed assets during the year.
2.
  - a) Inventories have been physically verified by the management at reasonable intervals during the year/at the year end.
  - b) As explained to us, the procedure of physical verification of the stocks refer to in (a) above followed by the management, in our opinion 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 the information and explanations given to us, the company is maintaining proper records of its inventories and there were no material as compared to two companies in previous year which are duly recorded as compared to the books of accounts.
3.
  - a) The Company during the year under audit has taken loan from one Company(Previous Year One Company and one individual) in the register maintained under Section 301 of the companies Act, 1956. The year-end aggregate balance of such loans taken from such parties was Rs.2202.61 lacs (Previous Year Rs.2017.58 lacs). There are four (previous year four) Companies covered in the register maintained under Section 301 of the Companies Act, 1956, to which the company has granted loans. The year-end aggregate balance of loans granted to such parties was Rs. 525.20 lacs (Previous Year Rs. 691.83 lacs).
- b) The company has given loans to wholly owned subsidiaries of the Company. In respect of the said loans, the maximum amount outstanding at any time during the year and by year end is Rs.1962.09 lacs (Previous year Rs. 1755.07 lacs).
  - c) In our opinion and according to the information and explanations given to us, the rate of interest, where applicable, and other terms and conditions of loans given by the company are not prima facie prejudicial to the interest of the company.
  - d) In respect of the said loans, the same payable /receivable on demand and there is no repayment schedule. The interest, where applicable, is payable / receivable on demand. In respect of interest, there are no overdue amounts.
  - e) In respect of said loans, there are no overdue amounts.
4. In our opinion and according to the information given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and also for the sale of goods and service.
5.
  - (a) In our opinion and according to the informations and explanations provided to us by the management, the transactions that need to be entered in to the register maintained under section 301 of Companies Act, 1956 have been so entered.
  - (b) The company has no transaction exceeding to Rs.5,00,000/- or more with the parties to be entered in to the register maintained u/s 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and nature of its business.

8. Maintenance of cost records has not been prescribed by the Central Government under Clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 for the type of industry carried on by the company.
9. a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities the undisputed statutory dues including Income Tax, Sales tax, Wealth Tax, Custom Duty, Excise duty and other Statutory dues.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of such statutory dues were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, as on this date, there are no dues payable in respect of Income tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and any other statutory dues which are in dispute and have not been deposited with appropriate authorities.
10. The company has issued subscribed and fully paid up Share Capital of Rs.1159.10 lacs and credit balance of Rs.927.63 lacs(Previous year Rs.853.09 lacs) in Reserve & Surplus by the year ended on 31<sup>st</sup> March, 2013 after adjusting the accumulated losses of Rs.1605.30 lacs(Previous Year Rs. 1679.84 lacs). During the year ended under audit, it has earned cash profit (after tax) of Rs.105.79 lacs (Previous year Rs.123.46 lacs).
11. Based on our Audit procedure and on the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of Clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
14. According to information and explanations given to us, the company has maintained proper records of investments. All investments are being held by the company in its own name.
15. According to information and explanations given to us, the company has not given guarantees for loans taken by others from the bank or financial institutions.
16. The company has not taken any term loan during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on short term basis which have been used for long term investment.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the company has not made any preferential allotment of shares/ debentures to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the year under audit the company has no outstanding liability towards debentures.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the informations and explanation given to us, no informations fraud on or by the Company has been noticed or reported during the year.

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

sd/-

Place: New Delhi  
Dated: 30.05.2013

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

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

(Amount in Rs.)

PARTICULARS	NOTES	31.03.2013	31.03.2012
<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) Reserve & Surplus	3	92,763,427.76	85,309,403.79
		<u>208,673,007.76</u>	<u>201,218,983.79</u>
<b>(B) Non Current Liabilities</b>			
(a) Long term Borrowings	4	1,726,927.68	944,115.75
(b) Other Long term Liabilities	5	237,622,751.30	234,388,153.30
		<u>239,349,678.98</u>	<u>235,332,269.05</u>
<b>(C) Current Liabilities</b>			
(a) Short term Borrowings	6	4,549,710.50	4,419,963.50
(b) Trade Payable	7	211,889,721.34	235,426,425.15
(c) Other Current Liabilities	8	64,258,063.82	56,263,177.51
(d) Short term provisions	9	4,599,643.08	3,959,321.08
		<u>285,297,138.74</u>	<u>300,068,887.24</u>
		<u>733,319,825.48</u>	<u>736,620,140.08</u>
<b>II ASSETS</b>			
<b>(A) Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	10	20,286,021.17	18,977,788.81
(b) Non Current Investments	11	15,164,000.00	15,164,000.00
(c) Other non current Assets	12	-	-
(d) Long term Loans & Advances	13	244,007,842.03	237,607,142.93
		<u>279,457,863.20</u>	<u>271,748,931.74</u>
<b>(B) Current Assets</b>			
(a) Current Investments	14	103,310.00	123,310.00
(b) Inventories	15	194,744,017.22	212,344,813.97
(c) Trade Receivables	16	24,735,151.77	24,963,012.77
(d) Cash and cash equivalents	17	12,359,431.92	9,138,193.00
(e) Short-term loans and advances	18	221,920,051.37	218,301,878.60
		<u>453,861,962.28</u>	<u>464,871,208.34</u>
		<u>733,319,825.48</u>	<u>736,620,140.08</u>

**Significant Accounting Policies and 1 to 42  
Notes to Accounts**

The accompanying notes are an integral part of the financials statements

**For and on behalf of the Board**

As per our report of even date

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

Chartered Accountants

(Firm Registration No. 006588N)

sd/-

**(S.M. Mathur)**

Prop.

M. No. 013066

Place : New Delhi

Dated : 30.05.2013

sd/-

**(Sanjeev Arora)**

Chairman-Cum-Managing Director

sd/-

**(Kavya Arora)**

Director

sd/-

**(Roop Kishore Fathepuria)**

Executive Director

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in Rs.)

PARTICULARS	NOTES	31.03.2013	31.03.2012
<b>INCOME</b>			
Revenue from Operations	19	<b>74,714,631.60</b>	98,576,173.16
Other Income	20	<b>5,318,131.17</b>	9,445,975.67
Total Revenue		<b>80,032,762.77</b>	108,022,148.83
<b>EXPENSES</b>			
Cost of material consumed	21	<b>30,423,472.94</b>	52,443,381.86
Changes in Inventories of finished goods	22	<b>179,292.31</b>	331,127.82
Employee benefit expenses	23	<b>7,026,381.60</b>	5,493,689.50
Finance costs	24	<b>3,410,969.45</b>	3,203,148.27
Depreciation and amortization expenses	25 & 10	<b>2,692,109.64</b>	8,907,181.30
Other Expenses	26	<b>26,721,862.86</b>	33,308,785.14
Total Expenses		<b>70,454,088.80</b>	103,687,313.89
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; TAX</b>		<b>9,578,673.97</b>	4,334,834.94
Exceptional Items	27	-	(80,000.00)
<b>PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>		<b>9,578,673.97</b>	4,254,834.94
Extraordinary Items	28	<b>8,000.00</b>	(34,957.00)
Profit before Tax		<b>9,586,673.97</b>	4,219,877.94
Tax Expenses			
a) Current Tax		<b>1,700,000.00</b>	781,000.00
b) Tax for earlier years		-	-
<b>PROFIT FOR THE YEAR</b>		<b>7,886,673.97</b>	3,438,877.94
Earning per Share (of Rs. 10/- each)			
(1) Basic & Diluted	29	<b>0.68</b>	0.30

**Significant Accounting Policies and Notes to Accounts** 1 to 42

The accompanying notes are an integral part of the financials statements  
As per our report of even date  
For **S.M. Mathur & Co.**  
Chartered Accountants  
(Firm Registration No. 006588N)

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

M. No. 013066  
Place : New Delhi  
Dated : 30.05.2013

**For and on behalf of the Board**

sd/-  
**(Sanjeev Arora)**  
Chairman-Cum-Managing Director

sd/-  
**(Kavya Arora)**  
Director  
sd/-  
**(Roop Kishore Fathepuria)**  
Executive Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

PARTICULARS	(Amount in Rs.)	
	31.03.2013	31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax & Extra Ordinary items	9,586,673.97	4,219,877.94
Adjustments for		
- Depreciation	2,692,109.64	8,907,181.30
- Interest paid on borrowing	3,171,528.00	2,963,386.00
- Profit/Loss on sale of Assets	(8,000.00)	34,957.00
- Dividend/interest received	(4,360,350.79)	1,495,286.85
	(9,155,024.67)	2,750,499.63
<b>Operating profit before working capital charges</b>	<b>11,081,960.82</b>	<b>6,970,377.57</b>
<b>Adjustments for</b>		
- Inventory	17,600,796.75	(185,673,952.56)
- Receivable	227,861.00	2,073,966.47
- Payable	(14,771,748.50)	148,339,218.30
- Short Term Loans & Advances	(3,618,172.77)	17,999,156.88
- Current Investments	20,000.00	(541,263.52)
	100,000.00	(17,161,610.91)
Cash Generated from operations	10,540,697.30	(10,191,233.34)
Interest paid	(3,171,528.00)	(2,963,386.00)
	7,369,169.30	(13,154,619.34)
Taxes Paid	2,132,650.00	(1,305,950.00)
<b>Net Cash from operating activities (A)</b>	<b>5,236,519.30</b>	<b>(11,848,669.34)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4,000,342.00)	(16,400.00)
Sale of Fixed Assets	8,000.00	3,000.00
Loans & Advances (Long Term)	(6,400,699.10)	(89,178,909.39)
Interest/Dividend Received	4,360,350.79	(6,032,690.31)
	9,155,024.67	(80,037,284.72)
<b>Net cash used in investing activities (B)</b>	<b>(6,032,690.31)</b>	<b>(80,037,284.72)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Deferred Revenue Expenditure		
Borrowing (Net)	4,017,409.93	96,357,137.75
<b>Net cash from financing activities ©</b>	<b>4,017,409.93</b>	<b>96,357,137.75</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		
Cash equivalents (A+B+C)	3,221,238.92	4,471,183.69
Cash and Cash equivalents(Opening Balance)	9,138,193.00	4,667,009.31
Cash and Cash equivalents(Closing Balance)	12,359,431.92	9,138,193.00

### Auditor's Report

As per our report of even date

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

Chartered Accountants

(Firm Registration No. 006588N)

sd/-

**(S. M. Mathur)**

Prop.

M. No. 013066

Place : New Delhi

Dated : 30.05.2013

For and on behalf of the Board

sd/-

**(Sanjeev Arora)**

Chairman-cum-Managing Director

sd/-

**(Kavya Arora)**

Director

sd/-

**(Roop Kishore Fathepuria)**

Executive Director

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**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. Costs of the acquisition of new assets are 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) Finished Goods (Factories) : | At Estimated realizable value            |
| 2) Stock (Real Estate) :        | At Cost                                  |
| 3) Project Development 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 80% till 31.03.2013 (Previous Year 55%) on mercantile basis. Accordingly the revenue has been recognized. During the previous year the company has undertaken the development work of the project from Ansal API. The development expenses & other expenses incurred on project by Ansal API was taken as Project Development expenses in the cost of material.

During the previous year the company has changed the method of accounting for the recognition of revenue on the sale of plots. Earlier to the previous year the company was recognized the revenue for their own share of 62.50% on the basis of project completion basis as per the Development Agreement with Ansal API, but during the previous year the company had recognized the sale of plot at its own sale instead of share of revenue.

- 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 time of assessment, will be accounted for in the year of finalization of assessment.

**e) Foreign Exchange Transaction - NIL (Previous year NIL)**

**f) Depreciation**

Depreciation on Fixed Assets have not been calculated on the rates as per Schedule XIV of the Companies Act, 1956, however, it had been calculated and provided as per the rates prescribed in Income Tax Act, 1961 as consistently been provided year after year in past.

**g) Retirement Benefits**

Gratuity liability has been accounted for on 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) Investment**

Investments are valued at cost.

**i) Accounting of Taxes on Income**

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, 2013**

(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012			
<b>2.</b>	<b>SHARE CAPITAL ACCOUNT</b>					
	<b>Authorized</b>					
	15,000,000 Equity Shares of Rs. 10/- each Issued	<b>150,000,000.00</b>	150,000,000.00			
	<b>Issued</b>					
	11,758,508 Equity Shares of Rs. 10/- each	<b>117,585,080.00</b>	117,585,080.00			
	<b>Subscribed &amp; Paid up</b>					
	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>	115,909,580.00			
	<b>Notes</b>					
	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.					
	<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.	Mr. Sanjev Arora	2353346	20.30	2243346	19.07
	2.	Bhaghyanagar India Ltd	1250000	10.78	1250000	10.78
	3.	Bennett Coleman and Company Ltd	847458	7.31	847458	7.31
	4.	Mr. Kavya Arora	797465	6.88	-	-
<b>3.</b>	<b>RESERVE &amp; SURPLUS</b>					
	<b>a) Capital Reserve</b>					
	Opening Balance	<b>92,198,920.52</b>	92,198,920.52			
	Additions during the year	-	-			
	Closing Balance	<b>92,198,920.52</b>	92,198,920.52			
	<b>b) Capital Subsidy</b>					
	Opening Balance	<b>3,000,000.00</b>	3,000,000.00			
	Additions during the year	-	-			
	Closing Balance	<b>3,000,000.00</b>	3,000,000.00			
	<b>c) Forfeited Share Reserve</b>					
	Opening Balance	<b>1,049,750.00</b>	1,049,750.00			
	Additions during the year	-	-			
	Closing Balance	<b>1,049,750.00</b>	1,049,750.00			
	<b>d) Securities Premium Reserve</b>					
	Opening Balance	<b>156,057,942.00</b>	156,057,942.00			
	Additions during the year	-	-			
	Closing Balance	<b>156,057,942.00</b>	156,057,942.00			
	<b>e) Investment Allowance Reserve(Utilised)</b>					
	Opening Balance	<b>987,000.00</b>	987,000.00			
	Additions during the year	-	-			
	Closing Balance	<b>987,000.00</b>	987,000.00			

**RITESH PROPERTIES AND INDUSTRIES LIMITED**



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
	<b>h) Profit &amp; Loss Account</b>		
	Opening Balance	(167,984,208.73)	(173,510,036.67)
	Tax of earlier years	(432,650.00)	2,086,950.00
	Additions during the year	7,886,673.97	3,438,877.94
	Closing Balance	(160,530,184.76)	(167,984,208.73)
	<b>TOTAL</b>	<b>92,763,427.76</b>	<b>85,309,403.79</b>
<b>4.</b>	<b>LONG TERM BORROWINGS</b>		
	<b>Secured#</b>		
	a) From Bank	199,220.66	552,402.75
	b) From Others	1,527,707.02	391,713.00
	<b>TOTAL</b>	<b>1,726,927.68</b>	<b>944,115.75</b>
	<b># Secured against the Hypothecation of the Vehicles</b>		
<b>5.</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	a) From Related Parties	220,260,929.30	201,757,929.30
	b) From Others	16,942,222.00	32,630,224.00
	c) Security Received	419,600.00	-
	<b>TOTAL</b>	<b>237,622,751.30</b>	<b>234,388,153.30</b>
<b>6.</b>	<b>SHORT TERM BORROWINGS</b>		
	a) Loans Repayable on Demand- Secured		
	From Banks	4,549,710.50	4,419,963.50
	<b>TOTAL</b>	<b>4,549,710.50</b>	<b>4,419,963.50</b>
	The Working Capital facility secured against Equitable mortgaged of Company's Land & Building situated at 356, Industrial Area A, Ludhiana and also guaranteed by the Chairman & Managing Director of the Company.		
<b>7.</b>	<b>TRADE PAYABLE</b>		
	a) Trade Payable	211,889,721.34	235,426,425.15
	<b>TOTAL</b>	<b>211,889,721.34</b>	<b>235,426,425.15</b>
	Trade Payable 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>8.</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advances from Customers	57,346,153.60	51,571,243.00
	Statutory Dues	4,757,624.51	3,698,698.51
	Other Liabilities	1,981,485.71	554,306.00
	Cheque Issued but presented later on	172,800.00	438,930.00
	<b>TOTAL</b>	<b>64,258,063.82</b>	<b>56,263,177.51</b>
<b>9.</b>	<b>SHORT TERM PROVISIONS</b>		
	a) Provision for employee benefits	2,118,643.08	1,778,321.08
	b) Others	2,481,000.00	2,181,000.00
	<b>TOTAL</b>	<b>4,599,643.08</b>	<b>3,959,321.08</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**  
(Amount in Rs.)

**NOTES PARTICULARS 31.03.2013 31.03.2012**

**10. TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.04.2012	Additions	Sale/ Deductions	As at 31.03.2013	Upto 1.04.2012	For the Year	Adjustment/ Deductions	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
Land										
- Freehold	457,100.00	-	-	457,100.00	-	-	-	-	457,100.00	457,100.00
Building	38,301,712.23	-	-	38,301,712.23	27,770,466.58	1,053,124.58	-	28,823,591.16	9,478,121.07	10,531,245.65
Plant & Machinery	2,633,239.60	434,545.00	-	3,067,784.60	2,207,346.88	106,809.79	-	2,314,156.67	753,627.93	425,892.72
Furniture & Fixture	4,618,499.61	48,912.00	-	4,667,411.61	2,767,146.57	188,232.91	-	2,955,379.48	1,712,032.13	1,851,353.04
Office Equipment	1,765,440.37	98,500.00	-	1,863,940.37	1,138,992.65	71,744.77	-	1,210,737.42	653,202.95	626,447.72
Vehicles	11,913,122.99	3,418,385.00	-	15,331,507.99	6,827,373.31	1,272,197.59	-	8,099,570.90	7,231,937.09	5,085,749.68
<b>TOTAL</b>	<b>59,689,114.80</b>	<b>4,000,342.00</b>	<b>-</b>	<b>63,689,456.80</b>	<b>40,711,325.99</b>	<b>2,692,109.64</b>	<b>-</b>	<b>43,403,435.63</b>	<b>20,286,021.17</b>	<b>18,977,788.80</b>
Previous Year	59,739,514.80	16,400.00	66,800.00	59,689,114.80	38,327,802.68	2,412,366.30	28,843.00	40,711,325.99	18,977,788.81	

**11. NON CURRENT INVESTMENTS  
UN QUOTED**

1500000 Equity Shares of Rs.10/- of Femella Fashions (P) 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
<b>TOTAL</b>	<b>15,164,000.00</b>	15,164,000.00

**12. OTHER NON CURRENT ASSETS  
Deffered Revenue Expenditure**

Opening Balance	-	6,494,815.00
Less: Written off during the year	-	6,494,815.00
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**13. LONG TERM LOANS & ADVANCES**

Security Deposits, considered Good	<b>1,552,193.87</b>	1,041,855.87
Loans & Advances to subsidiaries	<b>196,208,594.69</b>	175,507,255.59
Other Loans & Advances, Considered Good	<b>46,247,053.47</b>	61,058,031.47
<b>TOTAL</b>	<b>244,007,842.03</b>	237,607,142.93

**14. CURRENT INVESTMENTS**

**Trade Investments**

**Quoted**

1100 Equity Shares of Rs. 10/- each of Master Trust Ltd.	<b>11,000.00</b>	11,000.00
Nil(P.Y 2000) Equity Shares of Rs.10/- each of Vallabh Knits Ltd	-	20,000.00
400 Equity Shares of Rs.10/- each of Nahar Industrial Ent. Ltd	<b>10,000.00</b>	10,000.00
420 Equity Shares of Rs.10/- each of Nahar Ploy 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
	<b>103,310.00</b>	123,310.00
Market Value of Quoted Investments	<b>77,343.00</b>	163,102.50

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
<b>15.</b>	<b>INVENTORIES</b>		
	(As taken, valued & certify by the management)		
	Real Estate	<b>194,461,297.22</b>	211,882,801.66
	Finished Goods	<b>282,720.00</b>	462,012.31
	<b>TOTAL</b>	<b>194,744,017.22</b>	212,344,813.97
<b>16.</b>	<b>TRADE RECEIVABLES (UNSECURED)</b>		
	<b>CONSIDERED GOOD</b>		
	Outstanding for a period exceeding 6 months	<b>24,735,151.77</b>	24,846,301.77
	Others- Considered good	-	116,711.00
	<b>TOTAL</b>	<b>24,735,151.77</b>	24,963,012.77
<b>17.</b>	<b>CASH &amp; CASH EQUIVALENT</b>		
	Cash Balance in Hand	<b>840,729.33</b>	265,559.55
	Balance with Banks in Current Account	<b>6,754,350.88</b>	7,486,060.45
	Balance with Banks in FDR Account	<b>4,745,942.71</b>	1,386,573.00
	Cheque Deposited but presented later on	<b>18,409.00</b>	-
	<b>TOTAL</b>	<b>12,359,431.92</b>	9,138,193.00
<b>18.</b>	<b>SHORT-TERM LOANS AND ADVANCES</b>		
	<b>(Unsecured, considered good)</b>		
	Taxes paid in advance	<b>2,426.74</b>	2,246,501.66
	Advances to suppliers	<b>2,084,000.00</b>	465,244.00
	Advances to Staff	<b>16,387.00</b>	144,676.73
	Other Loans & Advances	<b>219,226,237.63</b>	215,445,456.21
	<b>TOTAL</b>	<b>221,920,051.37</b>	218,301,878.60
<b>19.</b>	<b>REVENUE FROM OPERATIONS</b>		
	i) Sale of Real Estate	<b>74,161,516.40</b>	97,964,799.66
	Sale of Industrial Plots		
	ii) Other Operating Income	<b>553,115.20</b>	611,373.50
	Sale of Garments etc		
	<b>TOTAL</b>	<b>74,714,631.60</b>	98,576,173.16
<b>20.</b>	<b>OTHER INCOME</b>		
	Interest Income	<b>4,360,350.79</b>	9,154,217.67
	Balances Written Back	<b>87,279.38</b>	-
	Dividend Income	-	807.00
	Rent	<b>296,788.00</b>	290,951.00
	Misc Income	<b>573,713.00</b>	-
	<b>TOTAL</b>	<b>5,318,131.17</b>	9,445,975.67



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
<b>21.</b>	<b>COST OF MATERIAL CONSUMED</b>		
	Opening Stock		
	- Real Estate	211,882,801.66	25,877,721.28
	Add: Purchases		
	i) Project & Preoperative Expenses	12,740,191.00	238,058,451.24
	ii) Others	261,777.50	390,011.00
		<u>224,884,770.16</u>	<u>264,326,183.52</u>
	Closing Stock		
	- Real Estate	194,461,297.22	211,882,801.66
	Net Consumption	<u>30,423,472.94</u>	<u>52,443,381.86</u>
<b>22.</b>	<b>CHANGE IN INVENTORIES</b>		
	a) Opening Stock of		
	- Finished Goods	462,012.31	793,140.13
	b) Closing Stock of		
	- Finished Goods	282,720.00	462,012.31
	(Increase)/Decrease in Inventories	<u>179,292.31</u>	<u>331,127.82</u>
<b>23.</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries & Wages#	6,077,305.00	2,902,767.00
	Contribution to Provident & Other Funds	110,837.00	110,479.00
	Other Benefits to Staff & Workers##	645,175.60	2,388,693.00
	Staff Welfare Expenses	193,064.00	91,750.50
	<b>TOTAL</b>	<u>7,026,381.60</u>	<u>5,493,689.50</u>
	# Includes Directors Remuneration Rs. 41,01,300.00 Previous Year Rs. 12,95,400.00		
	## Includes Directors Sitting Fee Rs. 30,000.00 (Previous Year Rs. 10,000.00), Director's Medical Expenses Rs.NIL (Previous year Rs. 19,92,591.00) and Director's Conveyance Allowance Rs.9,600.00 (Previous year Rs.9,600.00)		
<b>24.</b>	<b>FINANCE CHARGES</b>		
	Interest	3,171,528.00	2,963,386.00
	Hire Purchase Charges	179,987.93	192,983.75
	Bank Charges	59,453.52	46,778.52
	<b>TOTAL</b>	<u>3,410,969.45</u>	<u>3,203,148.27</u>
<b>25.</b>	<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
	Depreciation	2,692,109.64	2,412,366.30
	Deffered Revenue Expenditure	-	6,494,815.00
		<u>2,692,109.64</u>	<u>8,907,181.30</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
<b>26.</b>	<b>OTHER EXPENSES</b>		
	Advertisement	4,301,990.07	1,128,085.00
	Electric Expenses	1,362,104.00	287,729.00
	Fees & Taxes	197,083.00	317,966.00
	Freight Expenses	4,505.00	5,340.00
	Insurance Expenses	224,602.18	154,417.22
	Legal & Professional Charges	2,098,315.00	2,086,289.00
	Vehicle Expenses	2,733,332.49	419,556.00
	Postage & telephone Expenses	640,670.69	284,750.37
	Rent & House Tax	2,518,954.00	395,850.00
	Balances Written off	-	9,750.00
	Bad Debts Written off	-	19,175,474.55
	Travelling and Conveyance Expenses#	4,738,481.46	4,417,365.00
	Charity & Donation	722,000.00	379,000.00
	Repair & Maintenance##	181,317.00	146,367.00
	Sales Promotion Expenses	4,911,000.86	3,297,632.00
	Commission & Brokerage	285,559.00	-
	Other Expenses	1,801,948.11	803,214.00
	<b>TOTAL</b>	<b>26,721,862.86</b>	<b>33,308,785.14</b>
	# Includes Directors Travelling Rs. 25,75,676.88 Previous Year Rs. 26,88,268.52		
	## Repair and Maintenance includes		
	Electric Repair	62,918.00	30,493.00
	Building Repair	61,894.00	66,899.00
	General Repair	56,505.00	48,975.00
<b>27.</b>	<b>EXCEPTIONAL ITEMS</b>		
	Loss on Investments	-	(80,000.00)
	<b>TOTAL</b>	<b>-</b>	<b>(80,000.00)</b>
<b>28.</b>	<b>EXTRAORDINARY ITEMS</b>		
	Profit/(Loss) on Sale of Fixed Assets	8,000.00	(34,957.00)
	<b>TOTAL</b>	<b>8,000.00</b>	<b>(34,957.00)</b>
<b>29.</b>	<b>EARNING PER SHARE</b>		
	a) Net profit after tax	7,886,673.97	3,438,877.94
	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	0.68	0.30

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

### 30. CONTINGENT LIABILITIES

Bank Guarantee Rs.181.66 Lacs (Previous Year Rs.181.66 Lacs)

31. Debit & Credit balances of the parties are subject to confirmation & reconciliation.
32. Insurance claims of Rs. 484240/- (Previous Year Rs.NIL) are being accounted for on receipt basis.
33. During the previous year, the company had written off Rs. 6494815/- as "expenses amortization" being the deferred revenue expenditure as carried over from previous year.
34. The payment of remuneration made to the Mg. Director, Executive Director and other Directors are as under:

Particulars	2012-13	2011-12
Salary to Chairman Cum Mg. Director- Mr. Sanjeev Arora	Rs. 30,00,000/-	Rs. 3,60,000/-
Salary to Executive Director - Mr. Roop Kishore Fathepuria.	Rs. 11,01,300/-	Rs. 9,35,400/-
Perks-Conveyance Allowance to Executive Director - Mr. Roop Kishore Fathepuria.	Rs.9,600/-	Rs.9,600/-
Sitting Fee to Director - Mr. Surinder K. Sood	Rs.30,000/-	Rs.10,000/-
Reimbursement of Medical Expenses- Directors	Rs.Nil	Rs.19,92,591/-

35. The Udyog Shahik, 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. However, there are pending cases against the company and its associate companies for increase in acquisition cost. If any payment has to be made by the company on this account, the same shall be accounted for on payment basis.

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 company had already made an appeal against this order and the matter has been decided by the arbitrator in favour of the

company but the State Government has filed an appeal against the Arbitrator decision. However, if any liability arises on this account and payment has to be made by the company, the same will be accounted for on cash basis. However, the company has already given bank guarantee of Rs.181.66 Lacs (Previous year Rs.181.66 lacs) in favour of the Government of Punjab on this account.

The charges, if any for the conversion of land into mega project scheme will be accounted for on cash basis.

### 36. RELATED PARTIES DISCLOSURE

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

#### SUBSIDIARY COMPANIES

- Femella Fashions Private Ltd.
- Catalina Bay USA Inc.

#### ASSOCIATED/ALLIED COMPANIES

- o Ritesh International Ltd.
- o Ritesh Spinning Mills Ltd.
- o Kishan Chand & Co Oil Industries Ltd.
- o Ritesh Impex Private Ltd.
- o H.B. Fibres Ltd.

#### KEY MANAGERIAL PERSONNEL REPRESENTED ON THE BOARD

- |                              |                                   |
|------------------------------|-----------------------------------|
| o Mr. Pran Arora             | Ex-Chairman*                      |
| o Mr. Sanjeev Arora          | Chairman cum<br>Managing Director |
| o Mr. Rajiv Arora            | Director                          |
| o Mr. Roop Kishor Fathepuria | Executive Director                |
| o Mr. Kavya Arora            | Director                          |
| o Mr. Surinder K Sood        | Director                          |

\*upto 09-10-2011

#### OTHERS

- |   |  |
|---|--|
| o Anita Arora Maximum<br>Discount Retail Medical<br>Store | Prop.-Mrs. Anita<br>Arora, Wife of<br>Mr. Rajiv Arora,<br>Director |
|---|--|

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

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

Sr. No.	Name of Company/Firm/Individual	Nature of Transaction	2012-13 (Rs.)	DR CR	2011-12 (Rs.)	DR/CR
1.	Ritesh International Ltd, Associated/ Allied Company	-Cheques Recd. -Expense Reimbursement	1751000.00 7069.00	Cr	525000.00 1950.00	Cr Cr
2.	Ritesh Spinning Mills Ltd, Associated/ Allied Company	- Loan Repaid - Loan Received - Expenses Incurred	2042700.00 39520000.00 Nil	Dr Cr Dr	9569000.00 113700000.00 90.00	Dr Cr Dr
3.	H.B. Fibres Ltd, Associated/ Allied Company	- Loan Given - Loan Received back	40000.00 15000000.00	Dr Cr	- 9000000.00	Dr Cr
4.	Femella Fashions (P) Ltd, Subsidiary Company	- Loan Given - Loan Received - Sales - Purchase - Expenses Incurred on Company behalf - Expenses Reimbursement - Sale of Fixed Assets	19380000.00 Nil 553114.70 4800.00 1579467.00  904800.00 8000.00	Dr Cr Dr Dr Dr  Cr Dr	9500000.00 495000.00 609124.24 4686.50 436327.65  548000.00 --	Dr Cr Dr Cr Dr  Cr Dr
5.	Ritesh Impex (P) Ltd, Associated/ Allied Company	Loan Given	55000.00	Dr	-	
6.	Kishan Chand & Co Oil Industries Ltd, Associated/ Allied Company	Loan Given	5000.00	Dr	-	
7.	Anita Arora Max. Discount Retail Medical Store, Others	Rent Received Cheque Received	122548.00 350409.00	Dr Cr	116711.00 Nil	Dr Cr
8.	Mr. Pran Arora, KMP	Loan Received Amount transfer To Sanjeev Arora	Nil Nil	Cr Cr	90000.00 590000.00	Cr Dr
9.	Mr. Sanjeev Arora, KMP	Cheque Paid Amount transfer From Mr. Pran Arora Salary	590000.00 3000000.00	Dr Dr	- 590000.00 360000.00	Dr Cr
10.	Mr. Roop Kishor Fathepuria, KMP	Salary Conveyance Allowance	1101300.00 9600.00	Dr Dr	935400.00 9600.00	Dr Dr
11.	Mr. Surinder K Sood KMP	Sitting Fee	30000.00	Dr	10000.00	Dr

C) Amount due From/To Related Parties

Particulars	As on 31.03.2013 (Rs. in Lacs)	As on 31.03.2012 (Rs. in Lacs)
i) Due from Related Parties (included in Loans & Advances & Sundry Debtors)		
-Subsidiary Companies	2206.53	1999.52
- Associate/Allied Concern	525.20	691.83
- Others	NIL	2.28
ii) Due to Related Parties (included in Current Liabilities & Unsecured Loans)		
- Associate/Allied Concern	2202.61	2011.68
- Due to Key Managerial Personnel	NIL	5.90

### 37. LEASES (AS-19):

S. No.	Particulars	31.03.2013	31.03.2012
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	24,00,000.00 32,00,000.00 NIL	NIL NIL NIL
b.	The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet;	6,17,895.00	11,33,034.00
c.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	25,00,000.00	3.75,000.00
d.	Sub-leases payments received (or receivable) recognized in the statement of profit and loss for the period;	2,96,788.00	2,90,951.00
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

### 38. 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.

39. As per Collaboration Agreement dated 14.07.2006 read along with the addendum dated 11.01.2010 entered into with Ansal Properties & Infrastructure Ltd (herein after referred to as APIL for joint development of land on Chandigarh Ludhiana Road. The company in lieu of various obligations under agreement entitled to agreed share of the built up area and of the plotted area. Under the agreement, the entire development

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

and marketing expenses of the project was the responsibility of APIL. Accordingly, expenses incurred in discharge of the obligation under the agreement and agreed share of revenue was, hitherto, recognised as expense/income. As per agreement dated 11.04.2012 read with the memorandum of understanding dated 28.01.2012 entered into between the company and APIL, the entire project with effect from 01.02.2012, Viz "Cut-off date" has been taken over by the company for agreed consideration comprising of reimbursement of expenses incurred by APIL on the development of project and the compensation amount. Accordingly from the "Cut-off date" entire revenue/ expenses from the project, including amount paid to APIL has been recognised in the books of accounts by the company as per percentage completion method.

40. 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.
41. Expenditure in Foreign Currency on Travelling is Rs. 4,89,751/- (P.Y Rs. 5,72,167/-).
42. Corresponding figures of previous year have been regrouped / rearranged wherever deemed necessary.

On Behalf of the Board

**Signature to Notes 1 to 42**  
For **S. M. Mathur & Co.,**  
Chartered Accountants  
(Firm Registration No. 006588N)

sd/- (S. M. Mathur)	sd/- (Sanjeev Arora)	sd/- (Kavya Arora)
Prop.	Chairman-cum-Managing Director	Director
M. No. 013066		

Place: New Delhi  
Dated: 30.05.2013

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



## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Board of Directors  
**Ritesh Properties and Industries Limited**  
**Report on the Financial Statements**

We have audited the attached consolidated Balance Sheet of Ritesh Properties and Industries Limited ("the Company") and its Subsidiaries as at 31<sup>st</sup> March 2013, and also the Consolidated Statement of Profit & Loss Account and the Consolidated Cash Flow Statements for the year ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and cash flows of the company in accordance with the Accounting Standards generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 control relevant to the 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 the effectiveness of the Company's internal control. 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

We did not audit the Financial Statements of subsidiary viz. Catalina Bay USA Inc, which reflect total assets of Rs. 295.26 Lacs (Previous Year Rs. 297.29 Lacs) as at 31<sup>st</sup> March, 2013, total revenue of Rs. NIL Lacs (Previous year Rs. NIL) and cash inflows amounting to Rs. 7.10 Lacs (Previous Year cash outflow of Rs. 13.66 Lacs) for the year ended thereon. These financial statements and other financial information have 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 this matter.

For **S. M. Mathur & Co.**,  
Chartered Accountants  
(Firm Registration No. 006588N)

sd/-

Place: New Delhi  
Dated: 30.05.2013

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

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

(Amount in Rs.)

PARTICULARS	NOTES	31.03.2013	31.03.2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(A) Shareholder"s Fund</b>			
(a) Share Capital	2	<b>115,909,580.00</b>	115,909,580.00
(b) Reserve & Surplus	3	<b>(5,205,128.53)</b>	(14,851,651.04)
		<b>110,704,451.47</b>	101,057,928.96
<b>(B) Non Current Liabilities</b>			
(a) Long term Borrowings	4	<b>1,726,927.68</b>	944,115.75
(b) Other Long term Liabilities	5	<b>237,628,181.30</b>	234,407,253.30
		<b>239,355,108.98</b>	235,351,369.05
<b>(C) Current Liabilities</b>			
(a) Short term Borrowings	6	<b>4,549,710.50</b>	4,419,963.50
(b) Trade Payable	7	<b>232,304,608.55</b>	254,528,160.22
(c) Other Current Liabilities	8	<b>71,696,572.42</b>	63,760,413.13
(d) Short term provisions	9	<b>4,599,643.08</b>	3,959,321.08
		<b>313,150,534.55</b>	326,667,857.93
		<b>663,210,095.00</b>	663,077,155.94
<b>II ASSETS</b>			
<b>(A) Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	10	<b>29,875,936.32</b>	32,808,612.47
ii) Intangible Assets		<b>25,682,445.98</b>	25,795,218.18
(b) Other non current Assets	11	<b>47,372,941.29</b>	47,390,908.29
(c) Long term Loans & Advances	12	<b>65,989,905.93</b>	75,646,274.93
(d) Deferred Tax Assets	13	<b>978,364.74</b>	-
		<b>169,899,594.26</b>	181,641,013.87
<b>(B) Current assets</b>			
(a) Current Investments	14	<b>103,310.00</b>	123,310.00
(b) Inventories	15	<b>243,758,584.30</b>	250,377,092.57
(c) Trade Receivables	16	<b>14,195,969.64</b>	2,376,645.34
(d) Cash and cash equivalents	17	<b>12,820,176.98</b>	9,811,088.24
(e) Short-term loans and advances	18	<b>222,432,459.82</b>	218,748,005.92
		<b>493,310,500.74</b>	481,436,142.07
		<b>663,210,095.00</b>	663,077,155.94

**Significant Accounting Policies and 1 to 45  
Notes to Accounts**

The accompanying notes are an integral part of the financials statements

As per our report of even date

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

Chartered Accountants

(Firm Registration No. 006588N)

sd/-

**(S.M. Mathur)**

Prop.

M. No. 013066

Place : New Delhi

Dated : 30.05.2013

**For and on behalf of the Board**

sd/-

**(Sanjeev Arora)**

**Chairman-Cum-Managing Director**

sd/-

**(Kavya Arora)**

**Director**

sd/-

**(Roop Kishore Fathepuria)**

**Executive Director**

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**  
(Amount in Rs.)

PARTICULARS	NOTES	31.03.2013	31.03.2012
<b>INCOME</b>			
Revenue from Operations	19	<b>104,520,759.94</b>	107,668,593.99
Other Income	20	<b>7,694,919.18</b>	9,580,952.28
<b>Total Revenue</b>		<b>112,215,679.12</b>	117,249,546.27
<b>EXPENSES</b>			
Cost of material consumed	21	<b>44,318,116.71</b>	56,839,559.67
Changes in Inventories of finished goods	22	<b>(689,680.17)</b>	(164,920.89)
Employee benefit expenses	23	<b>12,387,317.60</b>	10,147,476.50
Finance costs	24	<b>3,435,090.14</b>	3,315,055.88
Depreciation and amortization expenses	25	<b>4,107,908.35</b>	9,800,777.08
Other Expenses	26	<b>34,783,355.27</b>	42,340,244.21
<b>Total Expenses</b>		<b>98,342,107.90</b>	122,278,192.45
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; TAX</b>		<b>13,873,571.22</b>	(5,028,646.18)
Exceptional Items	27	-	(80,000.00)
<b>PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>		<b>13,873,571.22</b>	(5,108,646.18)
Extraordinary Items	28	<b>(2,566,819.00)</b>	(34,957.00)
Profit before Tax		<b>11,306,752.22</b>	(5,143,603.18)
Tax Expenses			
a) Current Tax		<b>1,700,000.00</b>	781,000.00
b) Deferred Tax		<b>(978,364.74)</b>	-
<b>PROFIT FOR THE YEAR</b>		<b>10,585,116.96</b>	(5,924,603.18)
Earning per Share (of Rs. 10/- each)			
(1) Basic & Diluted	29	<b>0.91</b>	(0.51)
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>1 to 45</b>		

The accompanying notes are an integral part of the financials statements

As per our report of even date

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

Chartered Accountants

(Firm Registration No. 006588N)

sd/-

**(S.M. Mathur)**

Prop.

M. No. 013066

Place : New Delhi

Dated : 30.05.2013

**For and on behalf of the Board**

sd/-

**(Sanjeev Arora)**

**Chairman-Cum-Managing Director**

sd/-

**(Kavya Arora)**

**Director**

sd/-

**(Roop Kishore Fathepuria)**

**Executive Director**

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in Rs.)

<b>PARTICULARS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax & Extra Ordinary items	<b>11,306,752.22</b>	(5,143,603.18)
<b>Adjustments for</b>		
- Depreciation	<b>4,089,941.35</b>	9,800,777.08
- Interest paid on borrowing	<b>3,171,528.00</b>	2,963,386.00
- Profit/Loss on sale of Assets	<b>2,566,819.00</b>	34,957.00
- Dividend/interest received	<b>(4,376,309.79)</b>	3,629,500.41
<b>Operating profit before working capital charges</b>	<b>16,758,730.78</b>	(1,514,102.77)
<b>Adjustments for</b>		
- Inventory	<b>6,618,508.27</b>	(205,887,570.72)
- Receivable	<b>(11,819,324.30)</b>	667,158.18
- Payable	<b>(13,517,323.38)</b>	151,134,951.33
- Loans & Advances (Short Term)	<b>(3,684,453.90)</b>	18,010,980.96
Cash Generated from operations	<b>(5,643,862.53)</b>	(37,588,583.02)
Interest paid	<b>(3,171,528.00)</b>	(2,963,386.00)
	<b>(8,815,390.53)</b>	(40,551,969.02)
Taxes Paid	<b>2,132,650.00</b>	(1,305,950.00)
<b>Net Cash from operating activities (A)</b>	<b>(10,948,040.53)</b>	(39,246,019.02)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(4,306,312.00)</b>	(1,223,769.25)
Sale of Fixed Assets	<b>695,000.00</b>	4,901.62
Purchase/Sale of Investment	<b>20,000.00</b>	100,000.00
Loans & Advances (Long Term)	<b>9,656,369.00</b>	(59,551,526.80)
Interest/Dividend Received	<b>4,376,309.79</b>	9,169,619.67
<b>Net cash used in investing activities (B)</b>	<b>10,441,366.79</b>	(51,500,774.76)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Foreign Currency Translation Reserve	<b>(505,944.45)</b>	(973,559.77)
Non Current Assets	<b>17,967.00</b>	-
Borrowing (Net)	<b>4,003,739.93</b>	96,346,772.75
<b>Net cash from financing activities ©</b>	<b>3,515,762.48</b>	95,373,212.98
Net increase/(decrease) in cash and cash equivalents (A+B+C)		
Cash equivalents (A+B+C)	<b>3,009,088.74</b>	4,626,419.20
Cash and Cash equivalents(Opening Balance)	<b>9,811,088.24</b>	5,184,669.04
Cash and Cash equivalents(Closing Balance)	<b>12,820,176.98</b>	9,811,088.24

**Auditor's Report**

As per our report of even date

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

Chartered Accountants

(Firm Registration No. 006588N)

sd/-

**(S. M. Mathur)**

Prop.

M. No. 013066

Place : New Delhi

Dated : 30.05.2013

**For and on behalf of the Board**

sd/-

**(Sanjeev Arora)**

**Chairman-cum-Managing Director**

sd/-

**(Kavya Arora)**

**Director**

sd/-

**(Roop Kishore Fathepuria)**

**Executive Director**

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**1. Significant Accounting Policies :**

**a) Basis of presentation**

The financial statements have been prepared to comply with the Accounting standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under sub section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on accrual basis.

**b) Principles 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 intra-group 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. Cost of the acquisition is inclusive of freight, duties, taxes and other incidental expenses.

**d) Inventories**

In the case of 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 :<br>(Factories)    | At Estimated<br>Realizable Value               |
| 2) Stock :<br>(Real Estate)           | At Cost  |
| 3) Project<br>Development<br>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 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 project has been completed to the extent of 80% till 31.03.2013 (Previous Year 55%) on

mercantile basis. Accordingly the revenue has been recognized. During the previous year the company has undertaken the development work of the project from Ansal API. The development expenses & other expenses incurred on project by Ansal API was taken as Project Development expenses in the cost of material.

During the previous year the company has changed the method of accounting for the recognition of revenue on the sale of plots. Earlier to the previous year the company was recognized the revenue for their own share of 62.50% on the basis of project completion basis as per the Development Agreement with Ansal API, but during the previous year the company had recognized the sale of plot at its own sale instead of share of revenue.

- 2) In the case of Indian subsidiary sales are excluding VAT
- 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 time of assessment, will be accounted for in the year of finalization of assessment.

**f) Foreign Exchange Transaction**

Indian Rupee is the reporting currency for 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 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**

In the case of the Company, Depreciation have not been calculated on the rates as per Schedule XIV of the Companies Act, 1956, however it had been calculated and provided as per the rates prescribed in Income Tax Act, 1961 as consistently been provided year after year in past.

In the case of Indian subsidiary, Depreciation has been provide on straight line method at the rates and in the manners prescribed in schedule XIV of the Companies Act, 1956 except for intangible assets of Indian subsidiary which will be written off with in a period of five years as per the practice followed consistently in the previous years also.

In the case if Indian subsidiary, current year depreciation of Rs.13,97,832/- is inclusive of depreciation of Rs.2,68,036/- for financial year 2011-12 being differential amount depreciation calculated on Written down method instead of Straight line method which consistently being followed in previous years.

**h) Retirement Benefits**

Gratuity liability has been accounted for on 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.

**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 Company, 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.

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

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 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 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 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 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 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, 2013**  
(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012			
<b>2.</b>	<b>SHARE CAPITAL ACCOUNT</b>					
	<b>Authorized</b>					
	15,000,000 Equity Shares of Rs. 10/- each	150,000,000.00	150,000,000.00			
	<b>Issued</b>					
	11,758,508 Equity Shares of Rs. 10/- each	117,585,080.00	117,585,080.00			
	<b>Subscribed &amp; Paid up</b>					
	11,590,958 Equity Shares of Rs. 10/- each	115,909,580.00	115,909,580.00			
	<b>TOTAL</b>	<b>115,909,580.00</b>	<b>115,909,580.00</b>			
	<b>Notes</b>					
	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.					
	<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.	Mr. Sanjev Arora	2353346	20.30	2243346	19.35
	2.	Bhagyanagar India Ltd	1250000	10.78	1250000	10.78
	3.	Bennett Coleman and Company Ltd	847458	7.31	847458	7.31
	4.	Mr. Kavya Arora	797465	6.88	-	-
<b>3.</b>	<b>RESERVE &amp; SURPLUS</b>					
	<b>a) Capital Reserve</b>					
	Opening Balance	92,198,920.52	92,198,920.52			
	Additions during the year	-	-			
	<b>Closing Balance</b>	<b>92,198,920.52</b>	<b>92,198,920.52</b>			
	<b>b) Capital Subsidy</b>					
	Opening Balance	3,000,000.00	3,000,000.00			
	Additions during the year	-	-			
	<b>Closing Balance</b>	<b>3,000,000.00</b>	<b>3,000,000.00</b>			
	<b>c) Forfeited Share Reserve</b>					
	Opening Balance	1,049,750.00	1,049,750.00			
	Additions during the year	-	-			
	<b>Closing Balance</b>	<b>1,049,750.00</b>	<b>1,049,750.00</b>			
	<b>d) Securities Premium Reserve</b>					
	Opening Balance	156,057,942.00	156,057,942.00			
	Additions during the year	-	-			
	<b>Closing Balance</b>	<b>156,057,942.00</b>	<b>156,057,942.00</b>			
	<b>e) Investment Allowance Reserve(Utilised)</b>					
	Opening Balance	987,000.00	987,000.00			
	Additions during the year	-	-			
	<b>Closing Balance</b>	<b>987,000.00</b>	<b>987,000.00</b>			
	<b>h) Profit &amp; Loss Account</b>					
	Opening Balance	(255,758,287.45)	(251,920,634.27)			
	Tax of earlier years	(432,650.00)	2,086,950.00			
	Profit/(Loss) during the year	10,585,116.96	(5,924,603.18)			
	<b>Closing Balance</b>	<b>(245,605,820.49)</b>	<b>(255,758,287.45)</b>			

**RITESH PROPERTIES AND INDUSTRIES LIMITED**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**  
(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
	<b>i) Foreign Currency Translation Reserve</b>		
	Opening Balance	(12,386,976.11)	(11,413,416.34)
	Additions during the year	(505,944.45)	(973,559.77)
		(12,892,920.56)	(12,386,976.11)
	<b>TOTAL</b>	<b>(5,205,128.53)</b>	<b>(14,851,651.04)</b>
<b>4.</b>	<b>LONG TERM BORROWINGS</b>		
	<b>Secured#</b>		
	a) From Bank	199,220.66	552,402.75
	b) From Others	1,527,707.02	391,713.00
	<b>TOTAL</b>	<b>1,726,927.68</b>	<b>944,115.75</b>
	<b>Secured against the Hypthocation of the vehicles</b>		
<b>5.</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	(a) From Related Parties	220,260,929.30	201,771,929.30
	(b) From Related Parties- Directors		
	(c) From Others	16,947,652.00	32,635,324.00
	(d) Security Received	419,600.00	-
	<b>TOTAL</b>	<b>237,628,181.30</b>	<b>234,407,253.30</b>
<b>6.</b>	<b>SHORT TERM BORROWINGS</b>		
	(a) Loans Repayable on Demand- Secured		
	From Banks	4,549,710.50	4,419,963.50
	<b>TOTAL</b>	<b>4,549,710.50</b>	<b>4,419,963.50</b>
	The Working Capital facility secured against Equitable mortgaged of Company's Land & Building situated at 356, Industrial Area A, Ludhiana and also guaranteed by the Chairman & Managing Director of the company.		
<b>7.</b>	<b>TRADE PAYABLE</b>		
	a) Trade Payable	232,304,608.55	254,528,160.22
	<b>TOTAL</b>	<b>232,304,608.55</b>	<b>254,528,160.22</b>
	Trade Payable 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 availbale with the Company regarding the status of suppliers under the MSME.		
<b>8.</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advances from Customers	57,346,153.60	51,571,243.00
	Statutory Dues	7,130,562.42	5,806,272.43
	Other Liabilities	6,927,805.40	5,768,723.70
	Cheque Issued but presented later on	292,051.00	614,174.00
	<b>TOTAL</b>	<b>71,696,572.42</b>	<b>63,760,413.13</b>

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**  
(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
<b>9.</b>	<b>SHORT TERM PROVISIONS</b>		
	(a) Provision for employee benefits	<b>2,118,643.08</b>	1,778,321.08
	(b) Others	<b>2,481,000.00</b>	2,181,000.00
	<b>TOTAL</b>	<b>4,599,643.08</b>	<b>3,959,321.08</b>

**10. TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPREICATION				NET BLOCK	
	As at 1.04.2012	Additions	Sale/ Deductions	As at 31.03.2013	Upto 1.04.2012	For the Year	Adjustment/ Deductions	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
Land										
Freehold	457,100.00	-	-	457,100.00	-	-	-	-	457,100.00	457,100.00
Building	38,301,712.23	-	-	38,301,712.23	27,770,466.58	1,053,124.58	-	28,823,591.16	9,478,121.07	10,531,245.65
Plant & Machinery	4,828,458.26	570,006.00	460,096.00	4,938,368.26	2,497,719.35	219,036.23	167,328.00	2,549,427.58	2,388,940.68	2,330,738.91
Furniture & Fixture	17,321,414.58	83,182.00	2,872,640.00	14,531,956.58	5,452,531.07	1,059,013.55	809,980.00	5,701,564.62	8,830,391.96	11,868,883.51
Office Equipment	3,506,370.37	234,739.00	1,161,000.00	2,580,109.37	1,447,850.86	147,554.96	254,609.00	1,340,796.82	1,239,312.55	2,058,519.51
Vehicles	11,960,934.99	3,418,385.00	-	15,379,319.99	6,839,641.19	1,277,550.73	-	8,117,191.92	7,262,128.07	5,121,293.80
Computer	939,322.00	-	-	939,322.00	498,490.91	220,889.10	-	719,380.01	219,941.99	440,831.09
Intangible Asssets	405,131.00	-	-	405,131.00	208,008.84	112,772.20	-	320,781.04	84,349.96	197,122.16
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>106,807,443.43</b>	<b>4,306,312.00</b>	<b>4,493,736.00</b>	<b>106,620,019.43</b>	<b>48,203,612.78</b>	<b>4,089,941.35</b>	<b>1,231,917.00</b>	<b>51,061,637.13</b>	<b>55,558,382.30</b>	<b>58,603,830.65</b>
Previous Year	105,652,894.18	1,223,769.25	69,220.00	106,807,443.43	44,927,012.07	3,305,962.08	29,361.38	48,203,612.78	58,603,830.65	-

**11. OTHER NON CURRENT ASSETS**

**a) Deferred Revenue Expenditure**

Opening Balance	<b>47,211,238.30</b>	53,706,053.30
Add: Additions during the year	-	-
Less: Written off during the year	-	6,494,815.00
<b>TOTAL</b>	<b>47,211,238.30</b>	<b>47,211,238.30</b>

**b) Preliminary Expenditure**

Opening Balance	<b>179,669.99</b>	179,669.99
Less: Written off during the year	<b>17,967.00</b>	-
<b>TOTAL</b>	<b>161,702.99</b>	<b>179,669.99</b>

**G. TOTAL** **47,372,941.29** **47,390,908.29**

**12. LONG TERM LOANS & ADVANCES**

Security Deposits	<b>2,722,741.87</b>	3,228,346.87
Loans & Advances to subsidiaries	-	-
Other Loans & Advances, Considered Good	<b>63,267,164.06</b>	72,417,928.06
<b>TOTAL</b>	<b>65,989,905.93</b>	<b>75,646,274.93</b>

**13. DEFFERED TAX ASSETS**

Opening Balance	-	-
Add: Addition During the year	<b>978,364.74</b>	-
<b>TOTAL</b>	<b>978,364.74</b>	-

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**  
(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
<b>14.</b>	<b>CURRENT INVESTMENTS</b>		
	<b>Trade Investments(Quoted)</b>		
	1100 Equity Shares of Master Trust Ltd.	11,000.00	11,000.00
	Nil(P.Y 2000) Equity Shares of Rs.10/- each of Vallabh Knits Ltd.	-	20,000.00
	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
	500 Equity Shares of Rs.10/- each of R.S.Petro Products Ltd.	9,950.00	9,950.00
	<b>TOTAL</b>	<b>103,310.00</b>	<b>123,310.00</b>
	Market Value of Quoted Investments	77,343.00	163,102.50
<b>15.</b>	<b>INVENTORIES</b>		
	(As taken, valued & certify by the management)		
	Real Estate	194,461,297.22	211,882,801.66
	Raw Material- Fabric	759,051.00	386,142.50
	Finished Goods	18,538,236.08	17,848,555.91
	Stock in Transit	-	259,592.50
	Stock in Trade- Shares	30,000,000.00	20,000,000.00
	<b>TOTAL</b>	<b>243,758,584.30</b>	<b>250,377,092.57</b>
<b>16.</b>	<b>TRADE RECEIVABLES(UNSECURED)</b>		
	<b>CONSIDERED GOOD</b>		
	Outstanding for a period exceeding 6 months	494,437.23	573,486.00
	Others- Considered good	13,701,532.41	1,803,159.34
	<b>TOTAL</b>	<b>14,195,969.64</b>	<b>2,376,645.34</b>
<b>17.</b>	<b>CASH &amp; CASH EQUIVALENT</b>		
	Cash Balance on Hand	994,832.70	349,443.92
	Balance with Banks in Current Account	6,854,711.57	7,884,749.32
	Balance with Banks in FDR Account	4,952,223.71	1,576,895.00
	Cheque Deposited but presented later on	18,409.00	-
	<b>TOTAL</b>	<b>12,820,176.98</b>	<b>9,811,088.24</b>
<b>18.</b>	<b>SHORT-TERM LOANS AND ADVANCES</b>		
	<b>(UNSECURED, CONSIDERED GOOD)</b>		
	Taxes paid in advance	593,426.74	2,246,501.66
	Advances to suppliers	2,391,200.00	465,244.00
	Advances to Staff	221,595.45	590,804.05
	Other Loans & Advances	219,226,237.63	215,445,456.21
	<b>TOTAL</b>	<b>222,432,459.82</b>	<b>218,748,005.92</b>
<b>19.</b>	<b>REVENUE FROM OPERATIONS</b>		
	i) Sale of Real Estate	74,161,516.40	97,964,799.66
	Sale of Industrial Plots	-	-
	ii) Other Operating Income	30,359,243.54	9,703,794.33
	Sale of Garments etc	-	-
	<b>TOTAL</b>	<b>104,520,759.94</b>	<b>107,668,593.99</b>

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**  
(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
<b>20.</b>	<b>OTHER INCOME</b>		
	Interest Income	4,376,309.79	9,168,812.67
	Balances Written Back	2,347,639.38	-
	Dividend Income	-	807.00
	Rent	296,788.00	290,951.00
	Misc Income	674,182.01	120,381.61
	<b>TOTAL</b>	<b>7,694,919.18</b>	<b>9,580,952.28</b>
<b>21.</b>	<b>COST OF MATERIAL CONSUMED</b>		
	Opening Stock		
	- Real Estate	211,882,801.66	25,877,721.28
	- Raw Material	386,142.50	916,612.05
	- Shares	20,000,000.00	-
	Add: Purchases	-	-
	i) Project & Preoperative Expenses	12,740,191.00	238,058,451.24
	ii) Others	14,529,329.77	4,255,719.26
	iii) Shares	10,000,000.00	20,000,000.00
		<b>269,538,464.93</b>	<b>289,108,503.83</b>
	Closing Stock		
	- Real Estate	194,461,297.22	211,882,801.66
	- Raw Material	759,051.00	386,142.50
	- Shares	30,000,000.00	20,000,000.00
	Net Consumption	<b>44,318,116.71</b>	<b>56,839,559.67</b>
<b>22.</b>	<b>CHANGE IN INVENTORIES</b>		
	a) Opening Stock of		
	- Finished Goods	17,848,555.91	17,683,635.02
	b) Closing Stock of		
	- Finished Goods	18,538,236.08	17,848,555.91
	(Increase)/Decrease in Inventories	<b>(689,680.17)</b>	<b>(164,920.89)</b>
<b>23.</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries & Wages#	11,041,276.60	7,278,752.00
	Contribution to Provident & Other Funds	110,837.00	110,479.00
	Other Benefits to Staff & Workers##	803,893.00	2,467,091.00
	Staff Welfare Expenses	431,311.00	291,154.50
	<b>TOTAL</b>	<b>12,387,317.60</b>	<b>10,147,476.50</b>
	# Includes Directors Remuneration Rs. 44,01,300.00 Previous Year Rs. 15,95,400.00		
	## Includes Directors Sitting Fee Rs. 30,000.00 (Previous Year Rs.10,000.00), Director's Medical Expenses Rs. NIL (Previous year Rs.19,92,591.00) and Director's Conveyance Allowance Rs.9,600.00 (Previous year Rs.9,600.00)		
<b>24.</b>	<b>FINANCE CHARGES</b>		
	Interest	3,171,528.00	2,963,386.00
	Hire Purchase Charges	179,987.93	192,983.75
	Bank Charges	83,574.21	158,686.13
	<b>TOTAL</b>	<b>3,435,090.14</b>	<b>3,315,055.88</b>

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**  
(Amount in Rs.)

NOTES	PARTICULARS	31.03.2013	31.03.2012
<b>25.</b>	<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
	Depreciation	4,089,941.35	3,305,962.08
	Defferred Revenue Expenditure	-	6,494,815.00
	Preliminary Expenses Written Off	17,967.00	-
		<b>4,107,908.35</b>	<b>9,800,777.08</b>
<b>26.</b>	<b>OTHER EXPENSES</b>		
	Advertisement	4,306,402.07	1,130,285.00
	Electric Expenses	1,686,729.00	1,006,711.00
	Fees & Taxes	207,244.00	323,006.00
	Freight Expenses	140,428.00	36,988.00
	Insurance Expenses	259,805.18	158,889.22
	Legal & Professional Charges	2,233,585.00	2,543,174.00
	Vehicle Expenses	2,829,417.49	523,023.00
	Postage & telephone Expenses	1,133,551.40	918,449.86
	Rent & House Tax	6,240,941.00	4,601,720.00
	Balances Written off	-	9,750.00
	Bad Debts Written off	-	19,175,474.55
	Travelling and Conveyance Expenses#	4,958,888.46	4,762,931.00
	Charity & Donation	1,113,261.00	592,551.00
	Repair & Maintenance##	572,972.70	547,649.00
	Commission & Brokerage	395,448.00	108,000.00
	Sales Promotion Expenses	5,403,444.36	3,742,160.00
	Other Expenses	3,301,237.61	2,159,482.58
	<b>TOTAL</b>	<b>34,783,355.27</b>	<b>42,340,244.21</b>
	<b># Includes Directors Travelling Rs. 26,76,709.88 Previous Year Rs. 29,09,140.52</b>		
	<b>## Repair and maintenance</b>		
	Machinery Repair	49,025.70	19,499.00
	Electric Repair	62,918.00	30,493.00
	Building Repair	61,894.00	66,899.00
	General Repair	399,135.00	430,758.00
<b>27.</b>	<b>EXCEPTIONAL ITEMS</b>		
	Loss on Investments	-	(80,000.00)
	<b>TOTAL</b>	<b>-</b>	<b>(80,000.00)</b>
<b>28.</b>	<b>EXTRAORDINARY ITEMS</b>		
	Profit/(Loss) on Sale of Fixed Assets	(2,566,819.00)	(34,957.00)
	<b>TOTAL</b>	<b>(2,566,819.00)</b>	<b>(34,957.00)</b>
<b>29.</b>	<b>EARNING PER SHARE</b>		
	a) Net profit after tax	10,585,116.96	(5,924,603.18)
	b) Total weighted Average Number of Shares for Basic	11,590,958.00	11,590,958.00
	c) Basic and Diluted Earning per Share	0.91	(0.51)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**30. CONTINGENT LIABILITIES**

Bank Guarantee Rs.181.66 Lacs (Previous year Rs.181.66 Lacs)

**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 31.03.2013	Proportion of ownership interest as at 31.03.2012
Catalina bay USA Inc.	USA	100%	100%
Femella Fashions Private Limited	India	100%	100%

- 32.** Insurance claims of Rs. 484240 (Previous Year Rs. NIL) are being accounted for on receipt basis.
- 33.** Debit & Credit balances are subject to confirmation & reconciliation, if any.
- 34.** During the previous year, the company had written off Rs. 6494815/- as "expenses amortization" being the deferred revenue expenditure as carried over from previous year. 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	2012-13	2011-12
Salary to Managing Director -Sh. Sanjeev Arora	Rs. 30,00,000/-	Rs. 3,60,000/-
Salary to Director - Sh. Roop Kishore Fatehpuria	Rs. 11,01,300/-	Rs. 9,35,400/-
Perks-Conveyance Allowance - Sh. Roop Kishore Fatehpuria	Rs.9,600/-	Rs.9,600/-
Sitting Fee to Directors	Rs.30,000/-	Rs.10,000/-
Reimbursement of Medical Expenses - Directors	Rs.Nil	Rs.19,92,591/-

**B- By Indian Subsidiary**

Particulars	2012-13	2011-12
Salary to Director - Sh. Kavya Arora	Rs. 3,00,000/-	Rs. 3,00,000/-

- 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. However, there are pending cases against the company for increase in acquisition cost. If any payment has to be made by the company on this account, the same will be accounted for on payment basis.

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 company had already made an appeal against this order and the matter has been decided by the arbitrator in favour of the company but the State Government has filed an appeal against the Arbitrator decision. However, if any payment has to be made by the company on this account, the same will be accounted for on cash basis. However, the company has already given bank guarantee of Rs.181.66 Lacs (Previous year Rs.181.66 lacs).

The charges, if any for the conversion of land into mega project scheme will be accounted for on cash basis.

- 37.** In the case of company, as per collaboration agreement dated 14.07.2006 read along with the addendum dated 11.01.2010 entered into with Ansal Properties & Infrastructure Ltd (herein after referred to as APIL for joint development of land on Chandigarh Ludhiana Road. The company in lieu of various obligations under agreement entitled to agreed share of the built up area and

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

of the plotted area. Under the agreement, the entire development and marketing expenses of the project was the responsibility of APIL. Accordingly, expenses incurred in discharge of the obligation under the agreement and agreed share of revenue was, hitherto, recognized as expense/income. As per agreement dated 11.04.2012 read with the memorandum of understanding dated 28.01.2012 entered into between the company and APIL, the entire project with effect from 01.02.2012, Viz "Cut-off date" has been taken over by the company for agreed consideration comprising of reimbursement of expenses incurred by APIL on the development of project and the compensation amount. Accordingly from the "Cut-off date" entire revenue/ expenses from the project, including amount paid to APIL has been recognized in the books of accounts by the company as per percentage completion method.

**38. RELATED PARTIES DISCLOSURE**

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

**ASSOCIATED/ALLIED COMPANIES**

- o Ritesh International Limited
- o Ritesh Spinning Mills Limited
- o Kishan Chand & Co Oil Industries Limited
- o Ritesh Impex Private Ltd
- o H.B. Fibres Limited

**KEY MANAGERIAL PERSONNEL REPRESENTED ON THE BOARD**

- o Mr. Pran Arora Ex.-Chairman\*
- o Mr. Sanjeev Arora Chairman-Cum-  
Managing Director
- o Mr. Rajiv Arora Director
- o Mr. Roop Kishore Fathepuria Executive Director
- o Mr. Surinder K Sood Director
- o Mr. Kavya Arora Director  
(Indian Subsidiary)

\* Up to 09.10.2011

**OTHERS**

- o Anita Arora Maximum Prop.-Mrs. Anita  
Discount Retail Arora, Wife of  
Medical Store Sh. Rajiv Arora,  
Director

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

Sr. No.	Name of Company/Firm/ Individual	Nature of Transaction	2012-13 (Rs.)	DR/ CR	2011-12 (Rs.)	DR CR
1.	Ritesh International Ltd, Associated/ Allied Company	-Cheques Recd. -Expense Reimbursement	1751000.00 7069.00	Cr	525000.00 1950.00	Cr Cr
2.	Ritesh Spinning Mills Ltd, Associated/ Allied Company	- Loan Repaid - Loan Received - Expenses Incurred	2042700.00 39520000.00 Nil	Dr Cr Dr	9569000.00 113700000.00 90.00	Dr Cr Dr
3.	H.B. Fibres Ltd, Associated/ Allied Company	- Loan Given - Loan Received back	40000.00 15000000.00	Dr Cr	- 9000000.00	Dr Cr
4.	Ritesh Impex (P) Ltd, Associated/ Allied Company	Loan Given	55000.00	Dr	-	
5.	Kishan Chand & Co Oil Industries Ltd, Associated/ Allied Company	Loan Given	5000.00	Dr	-	
6.	Anita Arora Max. Discount Retail Medical Store, Others	Rent Received Cheque Received	122548.00 350409.00	Dr Cr	116711.00 Nil	Dr Cr
7.	Mr. Pran Arora, KMP	Loan Received Amount transfer To Sanjeev Arora	Nil Nil	Cr	90000.00 590000.00	Cr Dr
8.	Mr. Sanjeev Arora, KMP	Cheque Paid Amount transfer From Sh. Pran Arora Salary	590000.00 3000000.00	Dr	- 360000.00	Dr Cr
9.	Mr. Roop Kishore Fathepuria, KMP	Salary Conveyance Allowance	1101300.00 9600.00		935400.00 9600.00	
10.	Mr. Surinder K Sood KMP	Sitting Fee	30000.00		10000.00	
11.	Mr. Kavya Arora, KMP	Salary	300000.00		300000.00	

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

Particulars	As on 31.03.2013 (Rs. in Lacs)	As on 31.03.2012 (Rs. in Lacs)
<b>i) Due from Related Parties</b> (Included in Loans & Advances & Sundry Debtors) - Associate/Allied Concern	525.20	691.83
<b>ii) Due to Related Parties</b> (Included in Current Liabilities & Unsecured Loans) - Associate/Allied Concern	2202.61	2011.68
-Due to Key Managerial Personnel	Nil	6.04

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**39. LEASES (AS-19):**

Sr. No.	Particulars	31.03.2013	31.03.2012
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	24,00,000/- 32,00,000/- NIL	NIL NIL NIL
b.	The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet;	6,17,895.00	11,33,034.00
c.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	61,48,809	45,80,870.00
d.	Sub-leases payments received (or receivable) recognized in the statement of profit and loss for the period;	2,96,788	2,90,951.00
e.	A general description of the lessee's significant leasing arrangements including the following:	In the case of Indian subsidiary, Due to changed market strategy for selling the products of the company, through websites, the lease agreements for all the four showrooms were cancelled during the year. However the lease agreement for the company's office premises in Udhog Vihar, Gurgaon renewable every three year subject to escalation of 7%. Is being maintained by the company. The current rental for the office space is Rs. 1,08,000/- per month exclusive of service tax. Out of Rs. 75,000/- per month is reimbursed by the Holding company in sharing the space of said premises.	In the case of Indian subsidiary, The lease agreements for the Showrooms are renewable after on expiry of each agreement period already entered into by the company subject to escalation clause of rent on showroom to showroom basis. The lease agreement for the Gurgaon Office renewable every three year subject to escalation of 15%.

**40. 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.

41. Expenditure in Foreign Currency on Travelling is Rs. 4,89,751/- (P.Y Rs.5,72,167/-).

42. 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.

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

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

45. 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.

**Signature to Notes 1 to 45**  
**For S. M. Mathur & Co.,**  
Chartered Accountants  
(Firm Registration No. 006588N)

On Behalf of the Board  
For Ritesh Properties and Industries Limited

sd/- (S. M. Mathur)      sd/- (Sanjeev Arora)      sd/- (Kavya Arora)  
Prop. Chairman-cum-Managing Director      Director  
M. No. 013066

Place: New Delhi      (Roop Kishore Fathepuria)  
Dated: 30.05.2013      Executive Director



**Statement Pursuant to Section 212 of the companies Act, 1956 Relating to  
Subsidiary Companies**

1.	Name of the Subsidiary Companies	Femella Fashions Private Limited	Catalina Bay USA Inc.
2.	Financial year ending of the Subsidiary Company	March 31, 2013 (Company was incorporated on 29.06.2007)	March 31, 2013 (the company was incorporated on 06.01.1995)
3.	No. of shares held in Subsidiary Company	15,00,000 Equity Shares of Rs 10/- each	4000 Common Stock of \$1/- each
4.	Extent of Holding Company's interest	100%	100%
5.	The net aggregate of the profits or losses of the Subsidiary Company for its financial year so far as they concern the members of the company		
a)	dealt with in the accounts of the holding company for the period ended March 31, 2013.	Nil	Nil
b)	not dealt with in the accounts of the holding company for the period ended March 31, 2013.	Profit Rs 10,10,002.00	Nil
6.	The net aggregate of the profits or losses of the Subsidiary Company for its previous financial year since it became a subsidiary so far as they concern the members of the company		
a)	dealt with in the accounts of the holding company for the period ended March 31, 2012.	Nil	Nil
b)	not dealt with in the accounts of the holding company for the period ended March 31, 2012.	Loss: Rs 74,73,659.83	Nil

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

Place : New Delhi  
Dated : 30.05.2013

sd/-  
**(Sanjeev Arora)**  
Chairman-Cum-  
Managing Director

sd/-  
**(Kavya Arora)**  
Director

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

**STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES.**

<b>Particular</b>	<b>Femella Fashions Private Limited</b>	<b>Catalina Bay USA Inc.</b>
Reporting Currency	INR	USD
Exchange rate	1.00	54.33
Capital	Rs.15,000,000	\$ 4,000
Reserves	Rs.(71,624,714)	\$ (579,567.08)
Total Assets	Rs.115,701,554	\$ 1,105,345.20
Total liabilities	Rs.172,326,268	\$ 1,680,912.28
Details of Investment (except in case of investment in the subsidiaries)	-	-
Turnover	Rs.32,740,831	-
Profit before Taxation	Rs.1,010,002	-
Provision for Taxation	Rs.(978,365)	-
Profit after Taxation	Rs.1,988,367	-
Proposed Dividend	-	-
Country	India	U.S.A.

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

Place : New Delhi  
Dated : 30.05.2013

sd/-  
**(Sanjeev Arora)**  
Chairman-Cum-  
Managing Director

sd/-  
**(Kavya Arora)**  
Director

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



**RITESH PROPERTIES & INDUSTRIES LIMITED**

Regd. Office: 11/5B, First Floor, Param Tower, Pusa Road, New Delhi-110005.

**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 26<sup>th</sup> Annual General Meeting of the Company held on Wednesday, 25<sup>th</sup> day of September, 2013 at 11.00 A.M. at : M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi.

\_\_\_\_\_  
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 & INDUSTRIES LIMITED**

Regd. Office: 11/5B, First Floor, Param Tower, Pusa Road, New Delhi-110005.

**PROXY FORM**

Member's Folio No : \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of RITESH PROPERTIES AND INDUSTRIES LIMITED, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company held on Wednesday, 25<sup>th</sup> day of September, 2013 at 11.00 A.M. at M.L. Bhartia Auditorium, Alliance Francaise de Delhi, Indo-French Cultural Centre, 72, Lodi Estate, New Delhi and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix a Revenue Stamp of Rs. 1/-

**Note :**

- 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself.
- 2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the commencement of meeting.

**BOOK-POST**  
(Printed Matter)

*If undelivered please return to :*

**Ritesh Properties & Industries Ltd.**

Regd. Office 11/5B, 1st Floor, Param Tower,

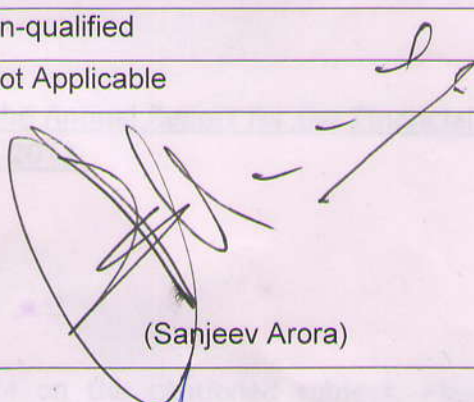


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**FORM A**

**(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**

Date: 23.03.2014

1.	Name of the company	Ritesh Properties and Industries Limited
2.	Annual financial statements for the year Ended	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-  <input type="checkbox"/> Managing Director	 (Sanjeev Arora)
	<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	 (Surendar Kumar Stood)