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Dated:

## INDEPENDENT AUDITOR'S REPORT

**The Members,**  
**Ritesh Properties and Industries Ltd., New Delhi**

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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



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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its cash flows for the year ended on that date.

### Report on Other legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
- 2) As required by section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



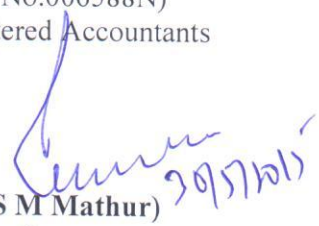
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- (e) on the basis of written representations received from the directors, as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Note No. 36 on Notes to the Financial Statements.
  - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

Place : New Delhi  
Date : 30.05.2015



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

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

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

- i. In respect of its Fixed Assets
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- ii. In respect of its inventories:
  - (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals.
  - (b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to information and explanation given to us, the company has generally maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
- iii.
  - (a) The company has granted loans to six companies, which includes two wholly owned subsidiaries (Previous year six including two wholly owned subsidiaries) covered in the register maintained under Section 189 of the Companies Act, 2013.
  - (b) In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and interest thereon. The loans are repayable on demand.
  - (c) There are no overdue amounts of more than rupees one lakh in respect of loans granted to bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there has an adequate internal control system commensurate with the size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.



Contd.....2.

- v. According to the information and explanation given to us, the company has not accepted any deposits from the public. Therefore, the provisions of class (V) of paragraph 3 of the CARO 15 are not applicable to the company.
- vi. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the company.
- vii. In respect of statutory dues:
- (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Duty of Custom, Duty of Excise, Cess, Sales Tax, Value Added Tax and any other statutory dues applicable to it with the appropriate authorities. No undisputed amounts are payable in respect of such statutory dues which were outstanding as on 31<sup>st</sup> March 2015 for a period of more than six months from the date it became payable.
- (b) According to the records of the company and the information given to us, as on date, there are no statutory dues like Income tax, Wealth tax, Service tax, Duty of Custom, Duty of Excise, cess and any other statutory dues applicable to it with the appropriate authorities which are in dispute and have not been deposited with the appropriate authorities.
- (c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Branch in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.
- viii. The accumulated losses of the Company are not more than 50% of its net worth. The Company has earned cash profit of Rs. 229.04 lacs in the financial year under review and earned cash profit of Rs. 228.99 lacs in the previous year.
- ix. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or banks.
- x. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.



Contd.....3.

- xi. The company has not obtained any term loan during the year, so this para of the order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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



Place : New Delhi  
Date : 30.05.2015

(S M Mathur)  
Prop  
M.No.013066

30/5/2015

**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 31.03.2015**

(Amount in Rupees)

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

**Significant Accounting Policies and Notes to Accounts** **1 to 38**

The accompanying notes are an integral part of the financials statements

As per our report of even date

For **S M Mathur & Co.**

(FRNo.006588N)

Chartered Accountants

*(Signature)*  
**(S M Mathur)**

Prop.

M.No.013066

Place: New Delhi

Date : 30.05.2015



*(Signature)*  
For and on behalf of the Board

*(Signature)*  
**(Sanjeev Arora)**

**(00077748)**

Chairman cum  
Mg. Director

*(Signature)*  
**(Kavya Arora)**

**(02794500)**

Executive Director  
& CFO

*(Signature)*  
**(Roop Kishore Fathepuria)**

**(00887774)**

Executive Director

*(Signature)*

**(Himani Khanna)**

Company Secretary

**RITESH PROPERTIES AND INDUSTRIES LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2015**

(Amount in Rupees)

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S M Mathur & Co.

(FRNo.006588N)

Chartered Accountants

(S M Mathur)

Prop.

M.No.013066

Place: New Delhi

Date : 30.05.2015



For and on behalf of the Board

(Sanjeev Arora)  
(00077748)

Chairman cum  
Mg. Director

(Kavya Arora)  
(02794500)

Executive Director  
& CFO

(Roop Kishore Fathepuria)  
(00887774)

Executive Director

(Himani Khanna)  
Company Secretary



**RITESH PROPERTIES & INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

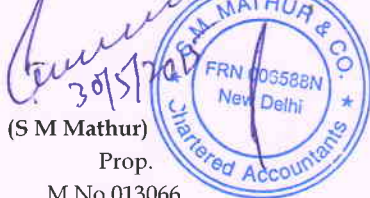
PARTICULARS	For the Year Ended 31.03.2015 (Rs.)	For the Year Ended 31.03.2014 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax & Extra Ordinary items	20,104,249.94	22,919,860.92
<b>Adjustments for</b>		
- Depreciation	2,799,752.08	2,129,074.68
- Interest paid on borrowing	-	773,786.50
- Profit/Loss on sale of Assets	(7,635,470.07)	(12,053,164.83)
- Dividend/interest received	(5,474,047.50)	(9,713,186.00)
<b>Operating profit before working capital charges</b>	<u>9,794,484.45</u>	<u>4,056,371.27</u>
<b>Adjustments for</b>		
- Inventory	15,137,704.57	14,699,420.08
- Receivable	(998,249.50)	-
- Payable	(4,117,820.59)	(48,074,244.88)
- Short Term Loans & Advances	48,821,763.77	114,137,406.60
- Current Investments	(7,288,281.84)	-
Cash Generated from operations	<u>61,349,600.85</u>	<u>84,818,953.08</u>
Interest paid	-	(773,786.50)
Taxes Paid	(2,931,000.00)	2,777,360.74
<b>Net Cash from operating activities (A)</b>	<u><u>64,280,600.85</u></u>	<u><u>81,267,805.84</u></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(3,684,731.00)	(12,111,513.60)
Sale of Fixed Assets	15,200,000.00	21,694,642.00
Loans & Advances (Long Term)	4,697,702.00	8,020,515.60
Interest/Dividend Received	5,474,047.50	27,316,830.00
<b>Net cash used in investing activities (B)</b>	<u><u>21,687,018.50</u></u>	<u><u>27,316,830.00</u></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Non Current Investments	(72,380.00)	
Borrowing (Net)	(107,067,288.33)	(96,620,018.90)
Net cash from financing activities ©	<u><u>(107,139,668.33)</u></u>	<u><u>(96,620,018.90)</u></u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		
Cash equivalents (A+B+C)	(21,172,048.98)	11,964,616.94
Cash and Cash equivalents(Opening Balance)	24,324,048.86	12,359,431.92
Cash and Cash equivalents(Closing Balance)	<u>3,151,999.88</u>	<u>24,324,048.86</u>

**AUDITOR'S REPORT**

As per our report of even date  
For S M Mathur & Co.

(FRNo.006588N)

Chartered Accountants



(S M Mathur)

Prop.

M.No.013066

Place: New Delhi

Dated : 30.05.2015

For and on behalf of the Board

(Sanjeev Arora)  
(00077748)

Chairman cum  
Mg. Director

(Kanya Arora)  
(00794500)

Director

(Roop Kishore Fathepuria)  
(00887774)

Executive Director

(Himani Khanna)  
Company Secretary

## RITESH PROPERTIES AND INDUSTRIES LIMITED

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

#### 1. Significant Accounting Policies:

##### a) Accounting Convention

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

##### b) Fixed Assets

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

##### c) Inventories

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

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

##### d) Revenue Recognition

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

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

##### f) Depreciation

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



## RITESH PROPERTIES AND INDUSTRIES LIMITED

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

#### 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

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

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

#### j) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting policies in India requires management to make estimates and assumption that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision of accounting estimates will be recognized prospectively in future periods.

#### k) IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Profit and Loss Statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the Profit and Loss Statement.



**RITESH PROPERTIES AND INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**  
**(Amount in Rupees)**

Note	Particulars	31.03.2015	31.03.2014
2	<b>SHARE CAPITAL ACCOUNT</b>		
	Authorized		
	15,000,000 Equity Shares of Rs. 10/- each	150,000,000.00	150,000,000.00
	Issued		
	11,758,508 Equity Shares of Rs. 10/- each	117,585,080.00	117,585,080.00
	Subscribed & Paid up		
	11,590,958 Equity Shares of Rs. 10/- each	115,909,580.00	115,909,580.00
	<b>TOTAL</b>	<b>115,909,580.00</b>	<b>115,909,580.00</b>

Notes i) The company has one class of Equity Shares having a par value of Rs.10/- each. Each holder is eligible for one vote per share held.

ii) Detail of shares held by each shareholder holding more than 5% Shares

Sr. No.	Name of the Shareholder	No. of Shares	%	No. of Shares	%
		holding		holding	
1.	Sh. Sanjev Arora	2383464	20.56	2590346	22.35
2.	Bhaghyanagar India Ltd	851668	7.35	1050002	9.06
3.	Time Publising House Ltd	830833	7.17	0	0
4.	Bennett Coleman and Company Ltd	0	0	847458	7.31
5.	Sh. Kavya Arora	1016334	8.77	1016334	8.77

**3 RESERVE & SURPLUS**

a) Capital Reserve		
Opening Balance	92,198,920.52	92,198,920.52
Add: Transfer from Capital Subsidy	3,000,000.00	-
Add: Transfer from Forfeited Share Reserve	1,049,750.00	-
Closing Balance	<b>96,248,670.52</b>	<b>92,198,920.52</b>
b) Capital Subsidy		
Opening Balance	3,000,000.00	3,000,000.00
Less: Transfer to Capital Reserve	3,000,000.00	-
Closing Balance	-	<b>3,000,000.00</b>
c) Forfeited Share Reserve		
Opening Balance	1,049,750.00	1,049,750.00
Less: Transfer to Capital Reserve	1,049,750.00	-
Closing Balance	-	<b>1,049,750.00</b>
d) Securities Premium Reserve		
Opening Balance	156,057,942.00	156,057,942.00
Additions during the year	-	-
Closing Balance	<b>156,057,942.00</b>	<b>156,057,942.00</b>
e) Investment Allowance Resserve(Utilised)		
Opening Balance	987,000.00	987,000.00
Less: Transfer to Profit & Loss Account	987,000.00	-
Closing Balance	-	<b>987,000.00</b>



**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

(Amount in Rupees)

Note	Particulars	31.03.2015	31.03.2014
	h) Profit & Loss Account		
	Opening Balance	(140,387,684.57)	(160,530,184.76)
	Add: Transfer from Investment Allowance Reserve	987,000.00	-
	Excess Provision no longer required	2,931,000.00	-
	Tax of earlier years	-	(627,360.74)
	Adjustment of Depreciation-SLM Basis	(452,555.49)	-
	Additions during the year	20,104,249.94	20,769,860.92
	Closing Balance	<u>(116,817,990.12)</u>	<u>(140,387,684.58)</u>
	TOTAL	<u>135,488,622.40</u>	<u>112,905,927.94</u>
<b>4</b>	<b>LONG TERM BORROWINGS</b>		
	Secured#		
	a) From Bank	2,492,963.00	16,409.67
	b) From Others	1,615,386.75	1,905,279.11
	TOTAL	<u>4,108,349.75</u>	<u>1,921,688.78</u>
	# Secured against the Hypthocation of the vehicles		
<b>5</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	(a) From Related Parties	-	94,795,219.30
	(b) From Others	30,242,222.00	45,242,222.00
	(c) Security Received	1,311,800.00	770,530.00
	TOTAL	<u>31,554,022.00</u>	<u>140,807,971.30</u>
<b>6</b>	<b>TARDE PAYABLE</b>		
	a) Trade Payable	178,651,731.77	195,306,565.28
	TOTAL	<u>178,651,731.77</u>	<u>195,306,565.28</u>
	Trade Payable includes Rs. NIL (Previous year Rs. NIL) due to creditors registered with Micro, Small and Medium Enterprisses Development Act, 2006(MSME)		
	No interest is paid/ payable during the year to Micro, Small and Medium Enterprises.		
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advances from Customers	47,704,194.90	30,519,722.90
	Statutory Dues	2,547,213.00	4,537,756.00
	Other Liabilities	1,863,679.60	1,805,121.60
	Cheque Issued but presented later on	390,262.00	301,395.00
	TOTAL	<u>52,505,349.50</u>	<u>37,163,995.50</u>
<b>8</b>	<b>SHORT TERM PROVISIONS</b>		
	(a) Provision for employee benefits	1,947,992.00	1,821,333.08
	(b) Others	-	2,931,000.00
	TOTAL	<u>1,947,992.00</u>	<u>4,752,333.08</u>



**RITESH PROPERTIES & INDUSTRIES LIMITED**

**9. TANGIBLE ASSETS**

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



**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

(Amount in Rupees)

Note	Particulars	31.03.2015	31.03.2014
10	<b>NON CURRENT INVESTMENTS</b>		
	<b>UN QUOTED</b>		
	1500000 Equity Shares of Rs.10/- of Femella Fashions Ltd	15,000,000.00	15,000,000.00
	4000 Common Stock of \$ 1/- each of Catalina Bay USA Inc	164,000.00	164,000.00
	7238 (P. Y Nil) Equity Shares of Rs.10/- of Kishan Chand & Oil Industries Ltd	72,380.00	-
	<b>TOTAL</b>	<b>15,236,380.00</b>	<b>15,164,000.00</b>
11	<b>LONG TERM LOANS &amp; ADVANCES</b>		
	Security Depsoits, considered Good	2,227,193.87	1,552,193.87
	Loans & Advances to subsidiaries	207,285,314.09	201,178,079.09
	Other Loans & Advances, Considered Good	21,777,116.47	33,257,053.47
	<b>TOTAL</b>	<b>231,289,624.43</b>	<b>235,987,326.43</b>
12	<b>CURRENT INVESTMENTS</b>		
	<b>Trade Investments</b>		
	<b>Quoted</b>		
	1100 Equity Shares of Rs. 10/- each of Master Trust Ltd.	11,000.00	11,000.00
	400 Equity Shares of Rs.10/- each of Nahar Industrial Ent. Ltd	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>Mutual Fund Investment</b>		
	Reliance Liquid Fund-Treasury Plan-DP-Growth (2714.420Units)	7,288,281.84	-
	<b>TOTAL</b>	<b>7,391,591.84</b>	<b>103,310.00</b>
	Market Value of Quoted Investments	7,498,128.19	72,023.00
13	<b>Inventories</b>		
	(As taken, valued & certify by the Management)		
	Real Estate	164,906,892.57	180,044,597.13
	Finished Goods	-	-
	<b>TOTAL</b>	<b>164,906,892.57</b>	<b>180,044,597.13</b>
14	<b>Trade Receivables</b>		
	<b>(Unsecured, Considered Good)</b>		
	Outstanding for a period exceeding 6 months	24,982,569.77	24,735,151.77
	Others- Considered good	750,831.50	-
	<b>TOTAL</b>	<b>25,733,401.27</b>	<b>24,735,151.77</b>



**RITESH PROPERTIES & INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

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





**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

(Amount in Rupees)

Note	Particulars	31.03.2015	31.03.2014
20	<b>Change in Inventories</b>		
	a) Opening Stock of		
	- Finished Goods	-	282,720.00
	b) Closing Stock of		
	- Finished Goods	-	-
	(Increase)/Decrease in Inventories	-	<b>282,720.00</b>
21	<b>Employee Benefits Expense</b>		
	Salaries & Wages#	7,118,301.00	7,015,529.00
	Contribution to Provident & Other Funds	167,179.00	119,511.00
	Other Benefits to Staff & Workers##	1,295,821.36	711,121.06
	Staff Welfare Expenses	115,351.00	150,122.00
	<b>TOTAL</b>	<b>8,696,652.36</b>	<b>7,996,283.06</b>
	# Includes Directors Remuneration Rs. 52,40,328.00 Previous Year Rs. 47,19,840.00		
	## Includes Directors Sitting Fee Rs. 69,000.00 (Previous Year Rs. 65,000.00) and Director's Allowances Rs.3,64,992.00 (Previous year Rs1,57,680.00)		
22	<b>Finance Charges</b>		
	Interest	-	773,786.50
	Hire Purchase Charges	408,979.97	208,025.10
	Bank Charges	23,614.98	237,615.77
	<b>TOTAL</b>	<b>432,594.95</b>	<b>1,219,427.37</b>
23	<b>Depreciation &amp; Amortization Expenses</b>		
	Depreciation	2,799,752.08	2,129,074.68
		<b>2,799,752.08</b>	<b>2,129,074.68</b>
24	<b>Other Expenses</b>		
	Advertisement	2,019,456.64	5,859,354.44
	Electric Expenses	2,640,216.00	1,803,522.00
	Fees & Taxes	550,200.00	469,153.00
	Freight Expenses	2,800.00	-
	Insurance Expenses	198,485.34	269,632.44
	Legal & Professional Charges	3,407,078.00	3,538,901.00
	Vehicle Expenses	1,477,440.13	1,731,059.68
	Postage & Telephone Expenses	753,291.54	443,091.92
	Rent	3,995,000.00	3,450,000.00
	Travelling and Conveyance Expenses#	6,144,176.91	8,977,428.41
	Charity & Donation	1,494,000.00	30,000.00
	Repair & Maintenance##	154,111.00	263,019.00



**RITESH PROPERTIES AND INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

(Amount in Rupees)

Note	Particulars	31.03.2015	31.03.2014
	Business/Sales Promotion Expenses	4,035,360.33	2,026,568.90
	Commission	197,620.00	303,727.00
	Other Expenses	2,645,289.09	1,692,303.78
	<b>TOTAL</b>	<b>29,714,524.98</b>	<b>30,857,761.57</b>
	# Includes Directors Travelling Rs. 22,04,921.58 Previous Year Rs. 45,77,945.34		
	## Repair and Maintenance includes		
	Electric Repair	49,635.00	192,653.00
	Building Repair	78,601.00	-
	General Repair	25,875.00	70,366.00
25	<b>Exceptional Items</b>		
	Profit on Mutual Fund Investment	938,281.84	-
	<b>TOTAL</b>	<b>938,281.84</b>	<b>-</b>
26	<b>Extraordinary Items</b>		
	Profit/(Loss) on Sale of Fixed Assets	7,635,470.07	12,053,164.83
	<b>TOTAL</b>	<b>7,635,470.07</b>	<b>12,053,164.83</b>
27	<b>Earning Per Share</b>		
	a) Net profit after tax	20,104,249.94	20,769,860.92
	b) Total weighted Average Number of Shares for Basic and Diluted Earning	11,590,958.00	11,590,958.00
	c) Basic and Diluted Earning per Share	1.73	1.79

28. **Contingent Liabilities**

Bank Guarantee Rs. Nil (Previous Year Rs.183.66 Lacs)

29. Debit & Credit balances of the parties are subject to confirmation & reconciliation.

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

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

32. **Segment Reporting**

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



**RITESH PROPERTIES AND INDUSTRIES LIMITED**

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

33. The payment of remuneration made to the Mg. Director, Executive Director and other Directors are as under:-

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

34. Related Parties Disclosure

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

**SUBSIDIARY COMPANIES**

- Femella Fashions Private Limited
- Catalina Bay USA Inc.

**ASSOCIATED/ALLIED COMPANIES**

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

**KEY MANAGERIAL PERSONNEL REPRESENTED ON THE BOARD**

- |                              |                                |
|------------------------------|--------------------------------|
| o Sh. Sanjeev Arora          | Chairman cum Managing Director |
| o Sh. Rajiv Arora            | Director*                      |
| o Sh. Roop Kishor Fathepuria | Executive Director             |
| o Sh. Kavya Arora            | Director                       |
| o Sh. Surinder K Sood        | Director                       |
| o Sh. Gurpreet Singh Brar    | Director                       |
| * Up to 25.07.2013           |                                |

**OTHERS**

- o Mrs. Guneet Arora
- Wife of Sh. Kavya Arora, Director and Daughter in Law of Sh. Sanjeev Arora, Chairman cum Managing Director.



**RITESH PROPERTIES AND INDUSTRIES LIMITED**

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

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

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



**RITESH PROPERTIES AND INDUSTRIES LIMITED**

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

C) Amount due From/To Related Parties

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

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

S. No.	Particulars	31.03.2015	31.03.2014
a.	The total of future minimum lease payment under non-cancelable operating leases for each of the following periods: 1. not later than one year ; 2. later than one year and not later than five year; 3. later than five years;	Rs.21,60,000/- Rs.30,81,756/- NIL	Rs.24,00,000/- Rs.8,00,000/- NIL
b.	The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet;	NIL	NIL
c.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	Rs.39,95,000/-	Rs.34,50,000/-
d.	Sub-leases payments received (or receivable) recognized in the statement of profit and loss for the period;	NIL	Rs.93,238/-
e.	A general description of the lessee's significant leasing arrangements including the following; The existence and terms of renewal or purchase options and escalation clauses; and restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.	NIL	NIL



## RITESH PROPERTIES AND INDUSTRIES LIMITED

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

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

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

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

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

37. Expenditure in Foreign Currency on Travelling is Rs. 83,189/- (P.Y Rs. 3,58,977/-).
38. Corresponding figures of previous year have been regrouped / rearranged wherever deemed necessary.

#### Signature to Notes 1 to 38

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

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



Place: New Delhi  
Dated: 30.05.2015

On behalf of the Board

(Sanjeev Arora)  
(00077748)  
Chairman Cum  
Mg. Director

(Navya Arora)  
(02794500)  
Executive Director  
& CFO

(Roop Kishor Fathepuria)  
(00887774)  
Executive Director

(Himani Khanna)  
Company Secretary