



24th

Annual Report

2010-2011

RITESH PROPERTIES & INDUSTRIES LIMITED

BOARD OF DIRECTORS

Chairman	Sh. Pran Arora
Managing Director	Sh. Sanjeev Arora
Executive Director	Sh. Roop Kishore Fatehpuria
Directors	Sh. Surinder K. Sood Sh. Rajiv Arora
Auditors	M/s. S M Mathur & Co. Chartered Accountants 162, Arya Samaj Road, Karol Bagh, New Delhi-110005
Bankers	ICICI Bank Limited Kitchlu Nagar, Ludhiana Allahabad Bank Clock Tower, Ludhiana
Head Office Cum Project Office	Focal Point, Phase-VIII Chandigarh Road, Ludhiana -141011
Registered Office	11/5B, 1st Floor, Param Tower, Pusa Road, New Delhi-110005
Registrar & Share Transfer Agent	Sky line 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 24th Annual General Meeting of the Members of Ritesh Properties and Industries Limited will be held on Wednesday, 28th day of September, 2011 at 11.00 A.M. at Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 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 Sh. Surinder Kumar Sood, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the year 2011-12 and to fix their remuneration.
M/s. SM Mathur & Co. Chartered Accountants, New Delhi, the retiring auditors being eligible offer themselves for re re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), 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 Sh. Roop Kishore Fatehpuria, Executive Director of the Company from Rs. 70,000/- per month to Rs. 80,500/- per month w.e.f. 1st June, 2011 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 Sh. 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 Sh. Roop Kishore Fatehpuria the above mentioned remuneration as minimum remuneration."

"RESOLVED FURTHER 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 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

sd/-

Dated : 02.09.2011

(Pran Arora)

Chairman

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 the proxy need not be a member of the Company. Proxy Form in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. The blank copy proxy form is enclosed herewith.
- ii) The register of members and the share transfer book of the company will remain closed from 26th September, 2011 to 28th September, 2011 (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 Account 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 at 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

The Board of Directors & the Remuneration Committee of the Board of Directors in their meeting held on 14.05.2011 has approved increase in remuneration of Sh. Roop Kishore Fatehpuria, Executive Director of the Company from Rs. 70,000/- per month to Rs. 80,500/- per month with effect from 1st June, 2011 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 Sh. Roop Kishore Fatehpuria.

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

Place : New Delhi
Dated : 02.09.2011

sd/
(Pran Arora)
Chairman

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
Date of Birth	29-04-1939
Date of Appointment	14-07-2005
Expertise	He has more than 43 years of experience in trade and industry
Qualification	Graduate
Directorships of Other Companies as on 31 st March 2011	Nil
Chairmanships/Memberships of Committees of other Companies as on 31 st March 2011	Nil
No. of shares held as on 31 st March 2011	Nil
Relationship with other Directors	Not related to any director of the Company

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

Place : New Delhi
Dated : 02.09.2011

sd/-
(Pran Arora)
Chairman

Directors' Report

To the Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

Particulars	Amount (Rs. In Lacs)	
	2010-2011	2009-2010
Operating income	903.37	245.91
Profit/(Loss) before Depreciation	572.22	40.99
Less: Depreciation	26.91	29.35
Profit/(Loss) for the year before Tax	545.31	11.64
Provision for taxation	14.00	-
Profit/(Loss) after Tax	531.31	11.64

OPERATIONAL REVIEW

During the year under review your company's operating income is of Rs. 903.37 lacs The company has earned a profit of Rs.531.31 lacs as compared to Rs. 11.64 lacs during the previous year.

SUBSIDIARIES

The company has following subsidiary companies the details of which is given below:

Femella Fashions Private Limited, a wholly owned subsidiary was incorporated on 29th day of June, 2007 to Venture in Retailing of garments & accessories. The company's operating income was Rs. 71.30 lacs during the year under review.

Catalina Bay USA INC 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

Sh. Surinder K. Sood, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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 31st March, 2011 and other Statements of Accounts of the Company for the year ended 31st March, 2011.
- 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.
- That the Directors had prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

The composition of the Audit committee as on 31st March, 2011 is as under.

- Sh. Pran Arora
- Sh. Surinder K.Sood
- Sh. Rajiv Arora

REMUNERATION COMMITTEE

The composition of the Remuneration committee as on 31st March 2011 is as under.

- Sh. Surinder K. Sood
- Sh. Pran Arora
- Sh. Rajiv Arora

PAYMENT OF LISTING FEE

The Company has paid Listing Fees to the 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 are 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
Dated : 02.09.2011

sd/
(Pran Arora)
Chairman

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 2011.

I. CONSERVATION OF ENERGY

The Company has tied up with Ansals Townships & Projects Limited (API) for setting up real estate project. Therefore, the information regarding energy conservation is not applicable as the Company has already closed its manufacturing units.

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 & Earned.

Particulars	(Rs. in Lacs)	
	2010-2011	2009-2010
Used	2.97	2.73
Earned	-	2.06

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

Place : New Delhi
Dated : 02.09.2011

sd/-
(Pran Arora)
Chairman

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 mainly generated from only one segment namely Development of Real Estate.

Income of the company has been at Rs. 903.37 lacs. The company has earned profit after tax of Rs. 531.30 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.

The Company has come up with Ansals Townships & Projects Limited (API) a well established name in the Real Estate Development and construction Sector.

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 10 persons as on 31st March, 2011.

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
Dated : 02.09.2011

sd/-
(Pran Arora)
Chairman

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, three non-executive directors. The Company is having a non 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 @
Sh Pran Arora	Chairman	Promoter	6	6	1
Sh. Sanjeev Arora	Managing Director	Promoter	5	1	-
Sh Rajiv Arora	Director	Promoter	4	3	2
Sh Roop Kishore Fatehpuria	Executive Director	Independent	2	-	-
Sh. Surinder K. Sood	Director	Independent	1	3	3

including Ritesh Properties and Industries Limited

@ Board Committee for this purpose includes Audit Committee, Share Transfer and Shareholder's/ Investor's Grievance Committee and Remuneration 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 Director.

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, Eleven Board Meetings were held on the following dates:

Date of Board Directors present	Board Strength Meeting	Number of Directors present
April 15, 2010	5	4
May 15, 2010	5	4
July 7, 2010	5	4
August 07, 2010	5	4
August 31, 2010	5	4
September 1, 2010	5	4
October 4, 2010	5	4
October 23, 2010	5	4
January 10, 2011	5	4
February 14, 2011	5	4
March 11, 2011	5	3

The maximum interval between any two meetings was 78 days.

c) Directors' Attendance Record and directorships held

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

Name of the Director	Number of Board Meetings	
	Held	Attended
Sh Pran Arora	11	10
Sh Rajiv Arora	11	0
Sh Sanjeev Arora	11	11
Sh Surinder K. Sood	11	11
Sh. Roop Kishor Fatehpuria	11	11

Sh. Sanjeev Arora, Managing Director and Sh. Roop Kishore Fatehpuria, Executive Director were present at the Annual General Meeting of the Company held on 28th September, 2010 at West Richi Rich Banquets, Near Mayapuri Chowk, Ring Road, New Delhi-110015.

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. 8 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2011.

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 share transfer and 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. Sh. Pran Arora, Sh. Rajiv Arora and Sh. Surinder K. Sood. Sh. Surinder K. Sood is the present Chairman

of the Audit Committee. The committee met five times during the last year on 15th May 2010, 7th August 2010, 31st August 2010, 23rd October 2010 and 14th February 2011 the details of which are as under:

Name of the Director	No. of Meetings	
	Held	Attended
Sh. Surinder K.Sood	5	5
Sh. Pran Arora	5	5
Sh. Rajiv Arora	5	0

SHARE TRANSFER AND SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE

The Committee consists of three directors i.e. Sh. Pran Arora, Sh. Sanjeev Arora and Sh. Surinder K. Sood. Sh. Surinder K. Sood is the present Chairman of the Share Transfer and Shareholders'/ Investors Grievance Committee. The details of the meetings are as under:

Name of the Director	No. of Meetings	
	Held	Attended
Sh. Surinder K.Sood	23	20
Sh. Sanjeev Arora	23	22
Sh. Pran Arora	23	22

During the financial year 2010-2011, the company has received 18 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 2010-2011.

No investor grievance was pending on March 31, 2011.

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 Managing Director is enclosed with the Annual Report.

5. Shareholders

a) Disclosures regarding appointment or re-appointment of Directors

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

b) Communication to Shareholders

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

c) Compliance Officer

Sh 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 91-161-2678803, 804, fax no. is 91-161-2678806 and e-mail ID is info@riteshindustries.us.

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
2009-2010	West Richi Rich Banquets, Near Mayapuri Chowk, Ring Road, New Delhi-110015	28 th September, 2010 at 11:00 A.M
2008-2009	Gayatri Hall, Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi-110003	24 th December, 2009 at 10:00 A.M
2007-2008	Shruti Hall, Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi-110003	26 th September, 2008 at 11.00 A.M.

II. The details of Extra Ordinary General Meetings passed during the financial year 2010-2011.

No Extra Ordinary General Meeting was held during period under review.

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 & Time: 28th day of September, 2011 at 11.00 A.M.

Venue: Lok Kala Manch, 20, Institutional Area, Lodhi Road, New Delhi.

Financial Year: 1st April 2010 to 31st March 2011.

b) Date of Book Closure:

26th day of September, 2011 to 28th day of September, 2011 (both days inclusive).

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

Name and Address of Stock Exchanges

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai

The Delhi Stock Exchange Association Limited
DSE House, 3/1 Asaf Ali Road, New Delhi-110002

d) 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

e) 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 sensdex are given hereunder:

Month	BSE				
	Share Prices		Volume	Sensex	
	High	Low		High	Low
April, 2010	19.90	15.75	9,48,634	18,047.86	17276.80
May, 2010	18.10	12.20	1,44,111	17,536.86	15960.15
June, 2010	18.90	13.90	8,15,591	17919.62	16318.39
July, 2010	19.10	16.40	8,90,703	18237.56	17395.58
August, 2010	20.45	16.00	6,54,725	18475.27	17819.99
September, 2010	18.50	13.70	4,21,798	20267.98	18027.12
October, 2010	18.50	15.60	2,10,435	20854.55	19768.96
November, 2010	16.85	12.00	1,20,233	21108.64	18954.82
December, 2010	16.47	12.10	2,65,414	20552.03	19074.57
January, 2011	14.49	11.52	56,875	20664.80	18038.48
February, 2011	12.60	9.50	1,30,783	18690.97	17295.62
March, 2011	12.0	9.27	73,217	19575.16	17792.17

Source: www.bseindia.com

f) 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 23 times and 13503 shares were transferred and 342601 shares were dematerialised during the year under review.

g) Distribution of Shareholding

As on March 31, 2011 the distribution of shareholding was as follows:

Share holding of Nominal value of Rs.	Shareholders		No. of Share held	
	Number	%	Number	%
Upto 5000	16981	94.56	2569495	22.17
5001 to 10000	517	2.88	432291	3.73
10001 to 20000	215	1.20	332634	2.87
20001 to 30000	74	0.41	193135	1.67
30001 to 40000	25	0.14	87687	0.76
40001 to 50000	32	0.18	152622	1.32
50001 to 100000	45	0.25	317305	2.74
100001 And Above	69	0.38	7505789	64.76
Total	17958	100.00	11590958	100.00

h) Dematerialisation of Shares

82.67% of Equity Shares of the Company are in dematerialized form as on 31st March, 2011. 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) Address for Correspondence

Ritesh Properties and Industries Limited,

11/5B, 1st 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 31st March 2011, 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)

Partner

Membership No. 013066

Place : New Delhi

Dated : 02.09.2011

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Sanjeev Arora, 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 31st March, 2011 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 31st March, 2011.

For Ritesh Properties and Industries Limited

sd/-

Sanjeev Arora

(Managing Director)

Place : New Delhi

Dated : 02.09.2011

RITESH PROPERTIES AND INDUSTRIES LIMITED

AUDITORS' REPORT

To
The Members of
Ritesh Properties and Industries Limited,

- I. We have audited the attached Balance Sheet of Ritesh Properties and Industries Limited as at 31st March 2011 and also the Profit & Loss Account for the year ended on that date Annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express opinion on these financial statements based on our audit.
- II. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- III We report that:
 1. As required by Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
 2. Further to our comments in the Annexure referred to in paragraph (1) above, we report as under:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement, referred to in this report, are in agreement with the books of accounts;
 - (d) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;

- (e) In our opinion the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956; and
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts, read with notes thereon as given in the Notes on Accounts as per Annexure "U"

Note no. 4 :- During the year under audit, the company has written off the personnel and administrative expenses related to ongoing Real Estate Project over a period of three years which is aggregate comes to Rs.1,29,89,630/- to Deferred Revenue Expenditure. During the year under audit, the company has written off Rs.64,94,815/- being 50% of such expenditure as "expenses amortized".

2. 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.

Give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
- ii. In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- iii. In the case of Cash Flow Statement, of the Cash flow for the year ended on that date.

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

sd/-

Place: New Delhi

(S M Mathur)

Dated: 02.09.2011

Prop.

M. No.013066.

ANNEXURE TO AUDITORS' REPORT
(Referred to in Paragraph (1) of our Report of even date)

- | | |
|--|---|
| <p>1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</p> <p>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.</p> <p>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.</p> <p>2. a) Inventories have been physically verified by the management at reasonable intervals during the year/at the year end.</p> <p>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 reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>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.</p> <p>3. a) The Company during the year under audit has taken loan from 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.975.37 Lacs (Previous Year Rs.1680.88 Lacs). There are four (previous year three) 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.787.10 Lacs (Previous Year Rs. 284.87 Lacs).</p> <p>b) The company has given loans to wholly owned subsidiaries of the Company. In</p> | <p>respect of the said loans, the maximum amount outstanding at any time during the year and by year end is Rs.1460.09 Lacs (Previous year Rs. 1294.52 Lacs)</p> <p>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.</p> <p>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 amount.</p> <p>e) In respect of said loans, there are no overdue amount.</p> <p>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.</p> <p>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.</p> <p>(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.</p> <p>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</p> <p>7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and nature of its business.</p> <p>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.</p> |
|--|---|

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 31st March, 2011 for a period of more than six months from the date they become payable except for Tax (Fringe Benefit) of Rs.18.71 lacs (Previous year Tax (Fringe Benefit) of Rs.18.71 lacs)
- 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 except to the demand/claims disputed by the company in respect of ESI demand of Rs.1.03 lacs (Previous year Rs.0.74 lac).
10. The company has issued subscribed and fully paid up Share Capital of Rs.1159.10 lacs and credit balance of Rs.2532.94 lacs in Reserve & Surplus by the year ended on 31st March, 2011 but simultaneously, it has accumulated losses of Rs.1735.10 lacs by 31st March, 2011 and during the year ended under audit, it has earned cash profit (after tax) of Rs.558.22 lacs (Previous year Rs.40.98 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

(S M Mathur)

Dated: 02.09.2011

Prop.

M. No.013066

Balance Sheet as at 31st March, 2011

PARTICULARS	ANNEXURE	AS AT 31.03.2011		AS AT 31.03.2010	
		Rs.	Ps.	Rs.	Ps.
SOURCE OF FUNDS					
Share of Capital	A	115,909,580.00		115,909,580.00	
Reserve & Surplus	B	253,293,612.52		253,293,612.52	
		<u>369,203,192.52</u>		<u>369,203,192.52</u>	
LOAN FUNDS					
Secured Loan	C	5,736,215.50		6,007,716.50	
Unsecured Loans	D	137,737,019.30		203,205,720.30	
		<u>143,473,234.80</u>		<u>209,213,436.80</u>	
	Total	<u>512,676,427.32</u>		<u>578,416,629.32</u>	
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	E	59,739,514.80		60,439,208.80	
Less : Depreciation		38,327,802.69		36,795,660.21	
Net Block		<u>21,411,712.11</u>		<u>23,643,548.59</u>	
INVESTMENT	F	<u>15,387,310.00</u>		<u>15,387,310.00</u>	
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	G	26,670,861.41		27,762,885.13	
Sundry Debtors	H	27,036,979.24		27,228,273.12	
Cash & Bank Balances	I	4,667,009.31		7,949,454.95	
Loans & Advances	J	384,729,269.02		311,395,125.95	
		<u>443,104,118.98</u>		<u>374,335,739.15</u>	
LESS CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	K	143,960,302.44		72,709,249.44	
Provisions	L	3,271,263.00		1,871,263.00	
		<u>147,231,565.44</u>		<u>74,580,512.44</u>	
NET CURRENT ASSETS		<u>295,872,553.54</u>		<u>299,755,226.71</u>	
DEFERRED REVENUE EXPENDITURE	M	6,494,815.00		12,989,630.00	
PROFIT & LOSS ACCOUNT (As Annexed)		<u>173,510,036.67</u>		<u>226,640,914.02</u>	
	Total	<u>512,676,427.32</u>		<u>578,416,629.32</u>	
NOTES ON ACCOUNTS	U				

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 : 02.09.2011

On behalf of the Board

For Ritesh Properties and Industries Limited

sd/-
(Pran Arora)
Chairman

sd/-
(Sanjeev Arora)
Mg. Director

sd/-
(Roop Kishore Fathepuria)
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	ANNEXURE	For the year Ended 31.03.2011		For the year Ended 31.03.2010	
		Rs.	Ps.	Rs.	Ps.
INCOME					
Operating and other Income	N	90,337,500.80		24,591,392.34	
	Total	90,337,500.80		24,591,392.34	
EXPENDITURE					
Cost of Material	O	3,319,322.51		1,221,149.60	
Manufacturing Expenses	P	90,393.59		48,444.00	
Personnel Expenses	Q	3,522,575.74		866,769.00	
Administrative Expenses	R	20,474,109.04		5,628,046.18	
Financial Expenses	S	3,064,281.90		3,158,162.62	
Selling Expenses	T	2,609,962.20		430,597.00	
Loss on Shares		34,547.38		9,139,204.61	
Depreciation		2,691,431.09		2,934,715.26	
	Total	35,806,623.45		23,427,088.27	
Profit/(Loss) before tax		54,530,877.35		1,164,304.07	
Provision for Tax		1,400,000.00		-	
Profit/(Loss) after Tax		53,130,877.35		1,164,304.07	
Add/Less: Brought Forward from Previous Year		(226,640,914.02)		(227,805,218.09)	
Balance Carried to Balance Sheet	Total	(173,510,036.67)		(226,640,914.02)	
NOTES ON ACCOUNTS	U				

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 : 02.09.2011

On behalf of the Board

For Ritesh Properties and Industries Limited

sd/-
(Pran Arora)
Chairman

sd/-
(Sanjeev Arora)
Mg. Director

sd/-
(Roop Kishore Fathepuria)
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED

ANNEXURE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "A"				
SHARE CAPITAL				
Authorised				
15,000,000 Equity Shares of Rs. 10/- each	150,000,000.00		150,000,000.00	
Issued, Subscribed and Paid-up				
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 fully paid-up in cash	115,909,580.00		115,909,580.00	
Total	115,909,580.00		115,909,580.00	
ANNEXURE "B"				
RESERVE AND SURPLUS				
Capital Reserve	92,198,920.52		92,198,920.52	
Capital Subsidy	3,000,000.00		3,000,000.00	
Fofeited Shares	1,049,750.00		1,049,750.00	
Investment Allowance Reserve-Utilised	987,000.00		987,000.00	
Share Premium	156,057,942.00		156,057,942.00	
Total	253,293,612.52		253,293,612.52	
ANNEXURE "C"				
SECURED LOANS				
(1) From Banks				
Working Capital				
Secured against Equitable Mortgage of Company's Land & Building situated at 356, Industrial Area A, Ludhiana and also guaranteed by the Promotor directors.	4,498,103.50		4,465,239.50	
(2) From Others				
(a) Vehicles Purchased under H.P.				
Secured against hypothecation of Vehicles purchased under hire purchase agreement and also guaranteed by Managing Director of the Company.	1,238,112.00		1,542,477.00	
Total	5,736,215.50		6,007,716.50	
ANNEXURE "D"				
UNSECURED LOANS				
From Directors	500,000.00		300,000.00	
From Others	10,300,000.00		10,300,000.00	
From Companies	126,937,019.30		192,605,720.30	
Total	137,737,019.30		203,205,720.30	

RITESH PROPERTIES AND INDUSTRIES LIMITED

ANNEXURE - "E"
FIXED ASSETS

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		As At 01.04.2010	Additions during the Year	Sale/ Transfer during the Year	As At 31.03.2011	As on 01.04.2010	For the Year	Written back during the Year	As On 31.03.2011	As At 31.03.2011	As At 31.03.2010
1	Land	457,100.00	-	-	457,100.00	-	-	-	-	457,100.00	457,100.00
2	Building	38,301,712.23	-	-	38,301,712.23	25,300,174.38	1,300,153.79	-	26,600,328.17	11,701,384.06	13,001,537.85
3	Plant & Machinery	3,610,866.60	38,985.00	954,762.00	2,695,089.60	3,001,394.10	92,632.48	927,904.27	2,166,122.31	528,967.29	609,472.50
4	Furniture & Fixture	4,607,049.61	-	-	4,607,049.61	2,334,857.60	227,219.20	-	2,562,076.80	2,044,972.81	2,272,192.01
5	Office Equipment	1,765,440.37	-	-	1,765,440.37	992,048.09	77,339.22	-	1,069,387.31	696,053.06	773,392.28
6	Vehicles	11,697,039.99	700,157.00	484,074.00	11,913,122.99	5,167,186.05	994,086.40	231,384.35	5,929,868.10	5,983,234.89	6,529,853.94
	Total	60,439,208.80	739,142.00	1,438,836.00	59,739,514.80	36,795,860.22	2,691,431.09	1,159,288.62	38,327,802.69	21,411,712.11	23,643,548.58
	Previous Year	56,566,366.80	3,872,842.00	-	60,439,208.80	33,860,844.95	2,834,715.26	-	36,795,660.21	23,643,548.59	

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "F"				
INVESTMENT				
(At Cost-Non Trade)				
Quoted				
1100 Equity Shares of Rs. 10/- each of Master Trust Ltd.	11,000.00		11,000.00	
2000 Equity Shares of Rs. 10/- each of Vallabh Knits Ltd.	20,000.00		20,000.00	
400 Equity Shares of Rs. 10/- each of Nahar Ind. Enter. Ltd	10,000.00		10,000.00	
10000 Equity Shares of Rs. 10/- each Kansal Fibres Ltd.	100,000.00		100,000.00	
420 Equity Shares of Rs.5/- each of Nahar Investment & Holding Ltd	40,521.60		40,521.60	
330 Equity Shares of Rs.5/- 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	
Unquoted				
In Subsidiary Companies				
1,500,000 Equity Shares of Rs.10/- each of Femella Fashions Private Ltd	15,000,000.00		15,000,000.00	
4,000 Common Stock of \$1/- each of Catalina Bay USA Inc	164,000.00		164,000.00	
Total	15,387,310.00		15,387,310.00	
Market value of quoted Investments	273,402.50		271,385.00	
ANNEXURE "G"				
INVENTORIES				
(As taken, valued & Certified by the Management)				
Finished Goods (at estimated realisable value)	793,140.13		1,033,788.60	
Others (at Cost) - Real Estate Stock	25,877,721.28		26,729,096.53	
Total	26,670,861.41		27,762,885.13	
ANNEXURE "H"				
SUNDRY DEBTORS				
(Unsecured, Considered Good)				
Over six Month old	26,925,829.24		27,228,273.12	
Others	111,150.00		-	
Total	27,036,979.24		27,228,273.12	
ANNEXURE "I"				
CASH & BANK BALANCES				
Cash in Hand	1,079,079.05		1,530,613.05	
Bank Balances				
Current Account	2,042,987.83		4,966,030.93	
FDR,s	1,544,942.43		1,452,810.97	
Total	4,667,009.31		7,949,454.95	
ANNEXURE "J"				
LOANS & ADVANCES				
Loan to Subsidiaries	146,009,490.20		129,451,922.04	
(Unsecured, Considered Good)				
Advances recoverable in cash or in Kind for value to be recieved	218,458,074.39		161,041,282.04	
Income tax / Tax Deducted at Source	6,546,387.66		6,060,195.66	
Advance to Supplier	12,613,849.90		12,740,259.34	
Security Deposits	1,101,466.87		2,101,466.87	
Total	384,729,269.02		311,395,125.95	

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "K"				
CURRENT LIABILITIES				
Sundry Creditors				
- Others	60,288,653.02		62,392,154.85	
Advance From Customers		-	4,241,016.00	
	77,627,581.93			-
Other Liabilities	5,923,212.59		4,858,141.59	
Cheque issued but Presented Later on (Net)	120,854.90		1,217,937.00	
Total	143,960,302.44		72,709,249.44	
ANNEXURE "L"				
PROVISIONS				
Provision for Tax	3,271,263.00		1,871,263.00	
Total	3,271,263.00		1,871,263.00	
ANNEXURE "M"				
DEFERRED REVENUE EXPENDITURE				
(To the extent not written off or adjusted)	6,494,815.00		12,989,630.00	
For the year				
Total	6,494,815.00		12,989,630.00	
ANNEXURE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE ENDED 31ST MARCH, 2011				
PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "N"				
OPERATING AND OTHER INCOME				
Sale of Real Estate	81,882,032.34			-
Sales	263,115.00		1,095,532.02	
Interest Received	7,882,267.46		3,222,315.32	
Export Incentives		-	15,323.00	
Rent	283,148.00		221,400.00	
Dividend	1,742.00			-
Insurance Claim	24,998.00			-
Miscellaneous Income	198.00			
Forfeiture of Advance against Capital Asset		-	20,000,000.00	
Previous Year Income		-	36,822.00	
Total	90,337,500.80		24,591,392.34	
ANNEXURE "O"				
COST OF MATERIAL				
Opening Stock				
Raw Material		-	40,239.00	
Finished Goods	1,033,788.60		1,007,812.60	
Others	26,729,096.53		13,234,402.53	
Total	27,762,885.13		14,282,454.13	
Add : Purchases	2,227,298.79		14,701,580.60	
Total	29,990,183.92		28,984,034.73	
Less : Closing Stock				
Raw Material		-		-
Finished Goods	793,140.13		1,033,788.60	
Others	25,877,721.28		26,729,096.53	
Total	26,670,861.41		27,762,885.13	
Net	3,319,322.51		1,221,149.60	

RITESH PROPERTIES AND INDUSTRIES LIMITED

PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "P"				
MANUFACTURING EXPENSES				
Others	64,201.59		39,424.00	
Electric Repair	7,467.00		8,507.00	
Machinery Repair	300.00		-	
Dyeing & Finishing Charges	18,425.00		513.00	
Total	90,393.59		48,444.00	
ANNEXURE "Q"				
PERSONNEL EXPENSES				
Salary, wages and Other Allowances	3,420,833.74		2,511,274.00	
Welfare Expenses	101,742.00		89,034.00	
	3,522,575.74		2,600,308.00	
Less: Transfer to deferred Revenue Expenditure	-		1,733,539.00	
Total	3,522,575.74		866,769.00	
ANNEXURE "R"				
ADMINISTRATIVE EXPENSES				
Electricity Expenses	767,558.00		829,964.66	
Printing & Stationery	92,273.96		53,727.00	
Travelling & Conveyance (Includes Director's Travelling Rs.3723292 (Previous Year Rs. 7961215)	4,391,782.71		8,984,168.61	
Others	66,070.70		12,020.69	
General Expenses	1,612,366.91		280,058.00	
Postage, Telegram & Telephone	258,578.55		552,346.52	
Rent	2,858,404.00		3,488,607.32	
Fees & Taxes	155,439.00		128,028.00	
General Repair	26,120.41		11,694.00	
Legal & Professional Charges	1,731,616.50		619,013.00	
Charity & Donation	580,000.00		450,402.00	
Auditor's Remuneration				
Audit Fee	200,000.00		200,000.00	
Tax Audit Fee	20,000.00		20,000.00	
Building Repair	41,106.00		7,758.00	
Expenses Amortised	6,494,815.00		-	
Diwali Expenses	26,280.00		91,545.00	
Insurance Charges	227,330.65		216,111.72	

RITESH PROPERTIES AND INDUSTRIES LIMITED

PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
AGM Expenses	26,125.00		8,156.00	
Fee paid to SEBI	100,000.00		-	
Interest on TDS	46,410.00		-	
Subscriptions & Membership	21,880.00		13,000.00	
Balances Written off	262,354.65		28,757.04	
Vehicle Expenses	467,597.00		888,779.62	
	20,474,109.04		16,884,137.18	
Less: Transfer to deferred Revenue Expenditure	-		11,256,091.00	
Total	20,474,109.04		5,628,046.18	
ANNEXURE "S"				
FINANCIAL EXPENSES				
Interest on Working Capital	681,894.00		595,732.00	
Interest to Others	2,154,080.00		2,216,217.00	
Bank Charges	95,712.90		79,504.08	
Hire Purchase Charges	132,595.00		266,709.54	
Total	3,064,281.90		3,158,162.62	
ANNEXURE "T"				
SELLING EXPENSES				
Entertainment	9,776.00		10,697.00	
Advertisement	246,772.00		119,709.00	
Sales Promotion Expenses	2,348,284.20		215,669.00	
Freight & Others	5,130.00		12,313.00	
Sales Tax/CST	-		5,829.00	
Export Expenses	-		66,380.00	
Total	2,609,962.20		430,597.00	

ANNEXURE – ‘U’

NOTES ON ACCOUNTS

1. Significant Accounting Policies followed by the Company

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 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 : At Estimated realizable Value
- 2) Stock At Cost
(Real Estate)s

d) Revenue Recognition

- 1) Sales are recognized to the extent of project completion basis. During the year, project on development of mercantile basis by the Management has reported / completed to the extent of 45%. Certificate in this regards have been obtained from the Management of the Company. Company's share of sales to the extent of 62.50% in terms of Agreement with Developer has been provided in the books of accounts of the company on Mercantile System of Accounting followed by the company year after year.

2) Foreign currency fluctuations during the year are 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

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 which has consistently been provided year after year in past.

g) Gratuity

Gratuity liability contribution to Provident Fund, Family Pension Scheme and E.S.I. has been provided on accrual basis.

h) Investment

Investments are valued at cost. All the investments are treated as Long-term investments.

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. In view of this, the figure of sale of Real Estate of Rs.818.82 lacs have been provided in the books of accounts of the company on estimated project completion to the extent of 45%.

m) Impairment of Assets

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

2. Insurance claims of Rs.24,998/- are being accounted for on receipt basis.

3. Debit & Credit balances of the parties are subject to confirmation & reconciliation.
4. During the previous year, the company had written off Personnel and Administrative Expenses related to ongoing Real Estate Project over a period of three years which in aggregate comes to Rs.1,29,89,630/- out of which 50% have been written off during the year as "expenses amortization" and balance carried forward.
5. The payment of remuneration made to the Mg. Director, Executive Director and other Directors are as under:-

Particulars	2010-11	2009-10
Salary to Mng. Director- Sh. Sanjeev Arora	Rs. 3,60,000/-	Nil
Salary to Director - Sh. Roop Kishore Fathepuria.	Rs. 7,80,400/-	Rs. 7,10,400/-
Perks-Conveyance Allowance Director - Sh. Roop Kishore Fathepuria.	Rs.9,600/-	Rs.9,600/-
Sitting Fee to Director	Rs.29,750/-	Rs.12,600/-
Reimbursement of Medical Expenses- Sh. Pran Arora, Chairman	Rs.323,113/-	Nil

6. The Earning per Share (EPS) in accordance with Accounting Standards (AS)-20 on "Earning per Share" issued by The Institute of Chartered Accountants of India is as under:

Particulars	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
Earnings Profit/Loss as per Profit & Loss Account	Rs.5,31,30,877	Rs.11,64,304
Shares		
-Weighted average Number of Equity share outstanding during the year- Basic	1,15,90,958	1,15,90,958
-Weighted average Number of Equity share outstanding during the year-Diluted	1,15,90,958	1,15,90,958
Earning per Share –Basic	4.58	(0.10)
Earning per Share –Diluted	4.58	(0.09)
Nominal Value per Share	Rs.10/-	Rs.10/-

7. 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 and its associate companies. 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.

8. Related Parties Disclosure

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

SUBSIDIARIES COMPANIES

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

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 Sh. Pran Arora Chairman
- o Sh. Sanjeev Arora Managing Director
- o Sh. Rajiv Arora Director
- o Sh. Roop Kishor Fathepuria Executive Director
- o Sh. Surinder K Sood Director

OTHERS

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

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

Particulars	For the Year Ended 31.03.2011 (Rs. in Lacs)	For the Year Ended 31.03.2010 (Rs. in Lacs)
ii) Sale to - Subsidiary Companies	2.60	10.48
ii) Sale of Fixed Assets to - Associate/Allied concern	0.30	Nil
iii) Purchase of Fixed Assets from - Key Managerial Personnel	Nil	19.00
iv) Salary, Perks & Sitting Fee to - Key Managerial Personnel	15.03	7.33
v) Rent Received from - Others	1.11	0.63

- C) Amount due From/To Related Parties :

Particulars	As on 31.03.2011 (Rs. in Lacs)	As on 31.03.2010 (Rs. in Lacs)
i) Due from Related Parties (Included in Loans & Advances & Sundry Debtors)		
-Subsidiary Companies	1704.54	1538.96
- Associate/Allied Concern	787.10	284.87
- Others	1.11	Nil
ii) Due to Related Parties (Included in Current Liabilities & Unsecured Loans)		
- Associate/Allied Concern	970.37	1677.06
-Due to Key Managerial Personnel	5.00	3.82

9. Leases (AS-19):

S. No.	Particulars	31.03.2011	31.03.2010
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	NIL NIL NIL	Rs.29,11,199/- Rs.37,95,068/- NIL
b.	The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet;	Rs.11,55,619/-	Rs.14,30,846/-
c.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	Rs.28,58,404/-	Rs.33,26,390/-
d.	Sub-leases payments received (or receivable) recognized in the statement of profit and loss for the period;	Rs.2,83,148/-	Rs.2,21,400/-
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	The lease agreement for the Gurgaon Office renewable every three year subject to escalation of 15%

10. 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.

11. In the opinion of the Board, all the Current Assets, Loans & Advances have valued on realization in the ordinary course of business equivalent to the amount at which they are stated except as expressly stated other wise.
12. The company has not received information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development

Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

14. Corresponding figures of previous year have been regrouped / rearranged wherever deemed necessary.
15. Additional information pursuant to Para 3 & 4 of part II of Schedule VI of the Companies Act, 1956.

A) Particulars of Licensed/Registered/Installed Capacity/Production - N.A (Previous year- N.A)

B) Particulars of Sales

Class of Goods	Unit	2010-11		2009-10	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Fleece/ Knitted Cloth	Mtr/Kgs.	79.100	33107.00	6.300	2419.50
Garment	Pcs.	1544	230008.00	6972	1052873.52
Cotton Yarn	Kgs.	-	-	450	40239.00
Others-Real Estate	-	-	81882032.34	-	-

C) Opening & Closing Stock of Goods produced & Goods traded in

Class of Goods	Unit	2010-11		2009-10	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Knitted Cloth/ Fabric	Mtr/Kgs.	650.325	390428.34	6365.325	701403.60
Yarn	Kgs.	298.800	73206.79	-	-
Garment	Pcs.	2599	311880.00	2623	314760.00
Socks	Damaged Bundles	-	17625.00	-	17625.00
Realty Business	-	-	25877721.28	-	26729096.53

D) Trading Goods Purchased

Class of Goods	Unit	2010-11		2009-10	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Knitted Cloth	Mtr/Kgs.	321.090	90372.00	2079.820	807172.60
Garment	Pcs.	-	-	1334	227516.00
Yarn	Kgs.	298.800	73206.79	-	-

E) Raw Material Consumed

Class of Goods	Unit	2010-11		2009-10	
		Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Yarn	Kgs.	-	-	450.000	40,239.00
Others	-	-	63720.00	-	172198.00

F) Other Additional Information

a)	Personnel Expenses	2010-11 (Rs.)	2009-10 (Rs.)
1)	Employees drawing remuneration not less than Rs.2400000/- per annum and employed throughout the year	Nil	Nil
2)	Employees drawing remuneration not less than Rs.2400000/- per annum and employed throughout the year	Nil	Nil
b)	Value of imports on CIF basis	Nil	Nil
c)	Expenditure in Foreign Currency -On Traveling	297,140	273,200
d)	Gross Income derived from services rendered as manufacturer	Nil	Nil
e)	Earning in foreign exchange on FOB basis	Nil	206,154

G) Value of Imported/Indigenous Raw Material, Spare Parts, Components & Store Consumed:

Class of Goods	2010-11		2009-10	
	Value (Rs.)	%Age	Value (Rs.)	%Age
i) Raw Material Indigenous	63,720 -	100% -	212,437 -	100% -
ii) Stores, Spare Parts and Components Indigenous Imported	7,767 -	100% -	8,507 -	100% -

Signature to Annexures 'A' to 'U'
for **S M Mathur & Co.**,
Chartered Accountants
(Firm Registration No. 006588N)

On behalf of the Board

For Ritesh Properties and Industries Ltd.

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

sd/-
(Pran Arora)
Chairman

sd/-
(Sanjeev Arora)
Mg. Director

Place: New Delhi
Dated: 02.09.2011

sd/-
(Roop Kishore Fathepuria)
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax & Extra Ordinary items		54,530,877.35		1,164,304.07
Adjustments for				
- Depreciation	2,691,431.09			2,934,715.26
- Interest paid on borrowing	2,835,974.00			2,811,949.00
- Loss/(Profit) on sale of Assets	34,547.38			-
- Dividend/interest received	(7,884,009.46)	(2,322,056.99)	(3,222,315.32)	2,524,348.94
Operating profit before working capital charges		52,208,820.36		3,688,653.01
Adjustments for				
- Payable	72,651,053.00			12,018,989.77
- Receivable	191,293.88			(164,274.20)
- Inventory	1,092,023.72			(13,480,431.00)
- Loans & Advances	(73,334,143.07)	600,227.53	(13,648,628.17)	(15,274,343.60)
Cash Generated from operations		52,809,047.89		(11,585,690.59)
Interest paid		(2,835,974.00)		(2,811,949.00)
		49,973,073.89		(14,397,639.59)
Taxes paid		1,400,000.00		-
Net Cash from operating activities (A)		48,573,073.89		(14,397,639.59)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(739,142.00)			(3,872,842.00)
Sale of Fixed Assets	245,000.00			-
Sale/Purchase of Investment	-			12,500,000.00
Interest/Dividend Received	7,884,009.46	7,389,867.46	3,222,315.32	11,849,473.32
Net cash used in investing activities (B)		7,389,867.46		11,849,473.32
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Deferred Revenue Expenditure	6,494,815.00			(12,989,630.00)
Increase in Reserve & Surplus	-			13,607,000.00
Borrowing (Net)	(65,740,202.00)	(59,245,387.00)	7,797,485.54	8,414,855.54
Net cash from financing activities (C)		(59,245,387.00)		8,414,855.54
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(3,282,445.65)		5,866,689.27
Cash and Cash equivalents as at (Opening Balance)		7,949,454.95		2,082,765.68
Cash and Cash equivalents as at (Closing Balance)		4,667,009.30		7,949,454.95

Auditor's Report

As per our report of even date
for **S M Mathur & Co.**
(Firm Registration No. 006588N)
Chartered Accountants

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

Place : New Delhi
Dated : 02.09.2011

On behalf of the Board

For Ritesh Properties and Industries Limited

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

(Roop Kishore Fathepuria)
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details	
Registration No.	2 7 0 5 0 State Code 5 5
Balance Sheet Date	3 1 - 0 3 - 2 0 1 1
	Date Month Year
II. Capital raised during the Year (Amount in Rs. Thousands)	
Public Issue	Right Issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L
III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)	
Total Liabilities	Total Assets
6 5 9 9 0 7 . 9 9	6 5 9 9 0 7 . 9 9
Sources of Funds	
Paid-up Capital	Reserves & Surplus
1 1 5 9 0 9 . 5 8	2 5 3 2 9 3 . 6 1
	Deferred Tax Liability
	1 2 9 8 9 . 6 3
Application of Funds	
Net Fixed Assets	Net current Assets
2 1 4 1 1 . 7 1	2 9 5 8 7 2 . 5 5
	Misc. Expenditure
	N I L
IV. Performance of Company (Amount in Rs. Thousands)	
Turnover	Total Expenditure
9 0 3 3 7 . 5 0	3 5 8 0 6 . 6 2
Profit Before Tax	Basic Earning per Share
5 4 5 3 0 . 8 8	4. 5 8
	Profit After Tax
	5 3 1 3 0 . 8 8
V. Generic Names of Three Principal Products of Company (As per Monetary Terms)	
Item Code No. (ITC Code)	6 1 0 9 1 0 0 0
Product Description	G A R M E N T S & A C C E S S O R I E S
Item Code No. (ITC Code)	N A
Product Description	R E A L E S T A T E

On Behalf of the Board
For Ritesh Properties and Industries Limited

Place : New Delhi
Dated : 02.09.2011

sd/-
(Pran Arora)
Chairman

sd/-
(Sanjeev Arora)
Managing Director

sd/-
Roop Kishore Fatehpuria
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED

Auditors' Report on Consolidated Financial Statements

To
The Board of Directors
Ritesh Properties and Industries Limited,

We have audited the attached consolidated Balance Sheet of Ritesh Properties and Industries Limited ("the Company") and its Subsidiaries as at 31st March 2011, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements regarding subsidiaries. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We did not audit the Financial Statements of subsidiary viz Catalina Bay USA Inc, which reflect total assets of Rs. 291.33Lacs (Previous Year Rs. 291.50 Lacs) as at 31st March, 2011, total revenue of Rs. NIL Lacs (Previous year Rs. NIL) and cash outflows amounting to Rs. 0.54Lacs (Previous Year Rs. 17.99 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.
2. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements issued by The Institute of Chartered Accountants of India and notified by Companies (Accounting Standards) Rules, 2006, and on the basis of the separate audited financial statement of the company and its Indian subsidiary and unaudited financial statement of its foreign subsidiary, included in the consolidated Financial Statements.

3. Based on our audit as aforesaid and on consideration of the financial statements and on the other financial information of the components and accounts approved by the Board of Directors and to the best of information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read with notes thereon subject to the following Notes as given in the Notes on Accounts as per Annexure "U":
 1. Note No. 5 during the year under review, the company has written off the Personnel and Administrative Expenses related to ongoing Real Estate Project over a period of three years which is aggregate comes to Rs. 1,29,89,630/- to Deferred Revenue Expenditure. During the year under audit, the company has written off Rs.64,94,815/- being 50% of such expenditure as "expenses amortized".
 2. Depreciation:- Depreciation on Fixed Assets in the case of Company have not been calculated on the rates as per Schedule XIV of the Company Act, 1956, however it had been calculated and provided as per the rates prescribed in Income Tax Act, 1931 as consistently been provided year after year in past.

give a true and fair view in conformity with the accounting principles generally accepted in India;

- i. in the case of Consolidated Balance Sheet, of the state of affairs of the company and its subsidiaries as 31st March, 2011 and
- ii. in the case of the Consolidated Profit & Loss Account, of the Profit of the company and loss of its subsidiaries for the year ended on that date.
- iii. in the case of Consolidated Cash Flow Statement, of the Cash flows of the company and its subsidiaries for the year ended on that date.

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

sd/-

Place: New Delhi
Dated: 02.09.2011

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

Consolidated Balance sheet as at 31st March, 2011

PARTICULARS	ANNEXURE	AS AT 31.03.2011		AS AT 31.03.2010	
		Rs.	Ps.	Rs.	Ps.
SOURCE OF FUNDS					
Share Capital	A	115,909,580.00		115,909,580.00	
Reserve & Surplus	B	251,327,386.93		251,289,057.78	
		<u>367,236,966.93</u>		<u>367,198,637.78</u>	
LOAN FUNDS					
Secured Loan	C	5,736,215.50		6,007,716.50	
Unsecured Loans	D	137,766,484.30		203,235,210.30	
		<u>143,502,699.80</u>		<u>209,242,926.80</u>	
	Total	<u>510,739,666.73</u>		<u>576,441,564.58</u>	
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	E	105,652,894.18		105,855,101.18	
Less : Depreciation		44,927,012.06		42,370,019.83	
Net Block		<u>60,725,882.12</u>		<u>63,485,081.35</u>	
INVESTMENT	F	223,310.00		223,310.00	
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	G	44,477,968.35		47,682,697.77	
Sundry Debtors	H	3,043,803.93		2,801,237.99	
Cash & Bank Balances	I	5,184,669.04		8,436,076.96	
Loans & Advances	J	252,865,288.51		195,046,605.79	
		<u>305,571,729.83</u>		<u>253,966,618.51</u>	
LESS CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	K	167,763,540.50		96,013,783.18	
Provisions	L	3,271,263.00		1,871,263.00	
		<u>171,034,803.50</u>		<u>97,885,046.18</u>	
NET CURRENT ASSETS		<u>134,536,926.33</u>		<u>156,081,572.33</u>	
MISCELLANEOUS EXPENDITURE	M	53,885,723.30		59,905,125.30	
PROFIT & LOSS ACCOUNT (As Annexed)		<u>261,367,824.98</u>		<u>296,746,475.60</u>	
	Total	<u>510,739,666.73</u>		<u>576,441,564.58</u>	
NOTES ON ACCOUNTS					
U					

Auditor's Report

As per our report of even date
for **S M Mathur & Co.**
(Firm Registration No. 006588N)
Chartered Accountants

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

Place : New Delhi
Dated : 02.09.2011

On behalf of the Board

For Ritesh Properties and Industries Limited

sd/-
(Pran Arora)
Chairman

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

(Roop Kishore Fathepuria)
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	ANNEXURE	For the year ended 31.03.2011		For the year ended 31.03.2010	
		Rs.	Ps.	Rs.	Ps.
INCOME					
Operating and other Income	N	97,270,959.70		32,724,644.96	
Profit on sale of Assets		-		-	
	Total	97,270,959.70		32,724,644.96	
EXPENDITURE					
Cost of Material	O	8,768,442.62		7,013,851.22	
Manufacturing Expenses	P	671,562.09		96,101.00	
Personnel Expenses	Q	8,894,382.74		6,549,661.03	
Administrative Expenses	R	30,654,603.90		17,998,241.41	
Financial Expenses	S	3,224,961.14		3,352,062.17	
Selling Expenses	T	4,385,169.35		2,249,186.10	
Loss on Shares		-		9,139,204.61	
Loss on Sale of Fixed Assets		101,784.20			
Depreciation		3,791,403.04		6,158,476.68	
	Total	60,492,309.08		52,556,784.22	
Profit/(Loss) before tax		36,778,650.62		(19,832,139.26)	
Provision for Tax		1,400,000.00		-	
Profit/(Loss) after Tax		35,378,650.62		(19,832,139.26)	
Less: Income tax of earlier years		-		-	
Add/Less: Brought Forward from Previous Year		(296,746,475.60)		(276,914,336.34)	
Balance Carried to Balance Sheet	Total	(261,367,824.98)		(296,746,475.60)	
NOTES ON ACCOUNT	U				

Auditor's Report

As per our report of even date
for **S M Mathur & Co.**
(Firm Registration No. 006588N)
Chartered Accountants

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

Place : New Delhi
Dated : 02.09.2011

On behalf of the Board

For Ritesh Properties and Industries Limited

sd/-
(Pran Arora)
Chairman

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

(Roop Kishore Fathepuria)
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED

CONSOLIDATED ANNEXURE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "A"				
SHARE CAPITAL				
Authorised				
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 fully paid-up in cash	115,909,580.00		115,909,580.00	
Total	115,909,580.00		115,909,580.00	
ANNEXURE "B"				
RESERVE AND SURPLUS				
Capital Reserve	92,198,920.52		92,198,920.52	
Capital Subsidy	3,000,000.00		3,000,000.00	
Fofeited Shares	1,049,750.00		1,049,750.00	
Investment Allowance Reserve-Utilised	987,000.00		987,000.00	
Share Premium	156,057,942.00		156,057,942.00	
Foreign currency translation Reserve	(1,966,225.59)		(2,004,554.74)	
Total	251,327,386.93		251,289,057.78	
ANNEXURE "C"				
SECURED LOANS				
(1) From Banks				
Working Capital				
Secured against hypothecation of stocks of raw material, finished goods, work-in-progress book debts present and future and also gua- ranteed by the promotor directors.	4,498,103.50		4,465,239.50	
(2) From Others				
(a). Vehicles Purchased under H.P. secured				
against hypothecation of Vehicles purchase under higher purchase agreement and also guaranteed by Managing Director of the Company.	1,238,112.00		1,542,477.00	
Total	5,736,215.50		6,007,716.50	
ANNEXURE "D"				
UNSECURED LOANS				
From Directors	525,000.00		325,000.00	
From Others	10,304,465.00		10,304,490.00	
Intercorporate Deposits	126,937,019.30		192,605,720.30	
Total	137,766,484.30		203,235,210.30	

ANNEXURE - "E"
CONSOLIDATED FIXED ASSETS

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		As At 01.04.2010	Additions during the Year	Sale/ Transfer during the Year	As At 31.03.2011	As on 01.04.2010	For the Year	Written back during the Year	As On 31.03.2011	As At 31.03.2011	As At 31.03.2010
1.	Land	457,100.00	-	-	457,100.00	-	-	-	-	457,100.00	457,100.00
3.	Building	38,301,712.23	-	-	38,301,712.23	25,300,174.39	1,300,153.79	-	26,600,328.18	11,701,384.06	13,001,537.85
4.	Plant & Machinery	5,358,095.76	142,219.00	954,762.00	4,545,552.76	3,147,142.25	166,209.72	927,904.27	2,385,447.70	2,160,105.06	2,210,953.51
5.	Furniture & Fixture	16,109,866.83	401,284.00	-	16,511,150.83	3,661,931.85	962,550.09	-	4,624,481.94	11,886,668.90	12,447,934.99
6.	Office Equipment	3,482,730.37	23,640.00	-	3,506,370.37	1,147,176.58	159,653.30	-	1,306,829.88	2,199,540.50	2,335,553.80
7.	Vehicles	11,984,630.99	700,157.00	721,433.00	11,963,354.99	5,227,625.34	1,017,824.40	306,506.53	5,938,943.21	6,024,411.78	6,757,005.65
8.	Computer	858,397.00	17,125.00	-	875,522.00	282,653.03	140,695.87	-	423,348.90	452,173.10	575,743.97
9.	Intangible Assets	215,568.00	189,563.00	-	405,131.00	114,412.43	44,315.86	-	158,728.29	246,402.71	101,155.57
10.	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
	Total	105,855,101.18	1,473,988.00	1,676,195.00	105,652,894.18	42,370,019.83	3,791,403.03	1,234,410.80	44,927,012.06	60,725,882.12	63,485,081.35
	Previous Year	100,693,447.27	5,161,653.91	-	105,855,101.18	36,211,543.14	6,158,476.68	-	42,370,019.83	63,485,081.35	

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "F"				
INVESTMENT				
(At Cost-Non Trade)				
QUOTED				
1100 Equity Shares of Rs. 10/- each of Master Trust Ltd.	11,000.00		11,000.00	
2000 Equity Shares of Rs. 10/- each of Vallabh Knits Ltd.	20,000.00		20,000.00	
400 Equity Shares of Rs. 10/- each of Nahar Ind. Enter. Ltd	10,000.00		10,000.00	
10000 Equity Shares of Rs. 10/- each Kansal Fibres Ltd.	100,000.00		100,000.00	
420 Equity Shares of Rs. 5/- each of Nahar Investment & Holding Ltd	40,521.60		40,521.60	
330 Equity Shares of Rs. 5/- each of Nahar Spining 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	
Total	223,310.00		223,310.00	
Market value of quoted Investments	273,402.50		271,385.00	
ANNEXURE "G"				
INVENTORIES				
(As taken, valued & Certified by the Management)				
Raw Material (at cost)	916,612.25		2,900,078.50	
Finished Goods (at estimated realisable value)	17,683,634.82		18,053,522.74	
Others(at cost)	25,877,721.28		26,729,096.53	
Total	44,477,968.35		47,682,697.77	
ANNEXURE "H"				
SUNDRY DEBTORS				
(Unsecured, Considered Good)				
Over six Month old	2,498,696.84		2,801,237.99	
Others	545,107.09		-	
Total	3,043,803.93		2,801,237.99	
ANNEXURE "I"				
CASH & BANK BALANCES				
Cash in Hand	1,257,235.42		1,586,721.57	
Bank Balances				
Current Account	2,206,764.19		5,234,369.42	
FDR,s	1,720,669.43		1,614,985.97	
Total	5,184,669.04		8,436,076.96	
ANNEXURE "J"				
LOANS & ADVANCES				
(Unsecured, Considered Good)				
Advances recoverable in cash or in knid for value to be received	229,282,571.08		170,890,224.07	
Advance to Supplier	12,613,849.90		13,219,724.19	
Security Deposits	4,422,479.87		4,876,461.87	
Income tax / Tax Deducted at Source	6,546,387.66		6,060,195.66	
Total	252,865,288.51		195,046,605.79	

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "K"				
CURRENT LIABILITIES				
Sundry Creditors				
-Others	75,419,215.10		79,130,269.97	
Advance From Customers	77,627,581.93		4,241,016.00	
Other Liabilities	14,175,732.57		10,793,616.21	
Cheque issued but Presented Later on (Net)	541,010.90		1,848,881.00	
Total	167,763,540.50		96,013,783.18	
ANNEXURE "L"				
PROVISIONS				
Provision for Tax	3,271,263.00		1,871,263.00	
Total	3,271,263.00		1,871,263.00	
ANNEXURE "M"				
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Preliminary Expenses-As per last B/Sheet	209,615.00		239,560.00	
Deffered Revenue Expenditure-As per last B/Sheet	59,695,510.30		33,590,854.20	
	59,905,125.30		33,830,414.20	
Add: Deffered Revenue Expenditure	505,358.00		26,104,656.10	
	60,410,483.30		59,935,070.30	
Less: Written off				
Deffered Revenue Expenditure	6,494,815.00		-	
Preliminary Expenses	29,945.00		29,945.00	
	6,524,760.00		29,945.00	
Net	53,885,723.30		59,905,125.30	

ANNEXURE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "N"				
OPERATING AND OTHER INCOME				
Sale of Real Estate	81,882,032.34		-	
Sales	7,172,409.90		9,198,978.99	
Export Incentives	-		15,323.00	
Interest Received	7,895,819.46		3,234,923.32	
Rent	283,148.00		221,400.00	
Dividend	1,742.00		-	
Other Income	198.00		17,197.65	
Forfeiture of Advance against Capital Assets	-		20,000,000.00	
Previous Year Income	-		36,822.00	
Insurance Claims	24,998.00		-	
Rebate & Discount	10,612.00		-	
Total	97,270,959.70		32,724,644.96	

PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
ANNEXURE "O"				
COST OF MATERIAL				
OPENING STOCK				
Raw Material	2,900,078.50		3,033,612.71	
Finished Goods	18,053,522.74		20,719,689.46	
Others	26,729,096.53		13,234,402.53	
Total	47,682,697.77		36,987,704.70	
Add : Purchases	5,563,713.20		17,708,844.29	
Total	53,246,410.97		54,696,548.99	
Less : Closing Stock				
Raw Material	916,612.25		2,900,078.50	
Finished Goods	17,683,634.82		18,053,522.74	
Others	25,877,721.28		26,729,096.53	
Total	44,477,968.35		47,682,697.77	
Net	8,768,442.62		7,013,851.22	
ANNEXURE "P"				
MANUFACTURING EXPENSES				
Electric Repair	7,467.00		8,507.00	
Machinery Repair	300.00		-	
Dyeing, Chemical & Finishing Charges	154,602.50		38,785.00	
Fabrication Charges	133,554.00		-	
Sampling Charges	195,992.00		-	
Generator Expenses	106,144.00		-	
Others	73,502.59		48,809.00	
Total	671,562.09		96,101.00	
ANNEXURE "Q"				
PERSONNEL EXPENSES				
Salary, wages and Other Allowances	8,613,825.74		7,973,869.03	
Welfare Expenses	280,557.00		309,331.00	
Total	8,894,382.74		8,283,200.03	
Less: Transfer to deferred Revenue Expenditure	-		1,733,539.00	
	8,894,382.74		6,549,661.03	
ANNEXURE "R"				
ADMINISTRATIVE EXPENSES				
Fees & Taxes	156,439.00		161,630.50	
Printing & Stationery	251,240.46		409,444.27	
Travelling & Conveyance (Includes Director's Travelling Rs.3909092.00 (Previous Year Rs. 7984415.64)	4,840,883.31		9,607,120.41	
Legal & Professional Charges	1,912,261.50		1,019,300.00	
Postage, Telegram & Telephone	1,067,524.31		1,249,472.98	

PARTICULARS	For the year ended		For the year ended	
	31.03.2011		31.03.2010	
	Rs.	Ps.	Rs.	Ps.
Electricity Expenses	1,400,780.50		1,529,934.66	
Charity & Donation	611,500.00		761,402.00	
General Expenses	1,665,813.91		418,790.00	
Auditor's Remuneration				
Audit Fee	266,180.00		240,000.00	
Tax Audit Fee	20,000.00		30,000.00	
General Repair	181,931.41		86,778.00	
Expenses Amortised	6,524,760.00		29,945.00	
Building Repair	41,106.00		7,758.00	
Diwali Expenses	47,260.00		92,545.00	
Insurance Charges	282,542.65		407,939.72	
AGM Expenses	26,125.00		8,156.00	
Rent Rates & Taxes	9,770,615.00		11,643,102.32	
Fine & Penalty	162,333.00		88,450.00	
Others	158,996.70		18,274.69	
Guest House Expenses	137,254.00		-	
News & Periodicals	3,295.00		-	
Software Charges	40,275.00		-	
Security Charges	182,294.00		177,360.00	
Subscriptions & Membership	21,880.00		18,612.50	
Balances Written off	261,711.15		31,630.29	
Previous Year Expenses	-		76,143.00	
Warehouse Expenses	6,357.00		-	
Vehicle Expenses	613,245.00		1,140,543.07	
Total	30,654,603.90		29,254,332.41	
Less: Transfer to Deferred Revenue Expenditure			-	11,256,091.00
Total	30,654,603.90		17,998,241.41	
ANNEXURE "S"				
FINANCIAL EXPENSES				
Interest on Working Capital	681,894.00		595,732.00	
Interest to Others	2,154,080.00		2,267,106.66	
Bank Charges	256,392.14		222,513.97	
Hire Purchase Charges	132,595.00		266,709.54	
Total	3,224,961.14		3,352,062.17	
ANNEXURE "T"				
SELLING EXPENSES				
Advertisement	752,130.00		264,729.00	
Sales Promotion Expenses	2,720,464.35		640,706.85	
Show Room Expenses	839,920.00		1,042,501.00	
Packing Expenses	7,473.00		156,971.25	
Freight & Others	52,097.00		67,629.00	
Export Expenses	-		66,380.00	
Other Expenses	13,085.00		10,269.00	
Total	4,385,169.35		2,249,186.10	

**ANNEXURE – ‘U’
NOTES TO ACCOUNTS**

1. Significant Accounting Policies the Consolidated Balance Sheet and Profit and Loss Account

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

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) Others (Real Estate) | At Cost |

e) Revenue Recognition

1) Sale are recognized to the extent of project completion basis. During the year, project of development of mercantile basis by the management has reported/completed to the extent of 45%. Certificate in this regards have been obtained from the management of the Company. Company's share of sales to the extent of 62.50% in terms of Agreement with Developer has been provided in the books of accounts of the Company on Mercantile Systems of Accounting followed by the Company year after year.

2) In the case of Indian subsidiary sales are excluding VAT

3) Foreign currency fluctuations are recognized to revenue at time of realization.

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 provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except for Intangible assets which will be written off with in a period of five years.

h) Gratuity

Gratuity liability contribution to Provident Fund, Family Pension Scheme and E.S.I. has been provided on accrual basis.

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 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.

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. In view of this, the figure of sale of Real Estate of Rs.818.82 lacs have been provided in the books of accounts of the company on estimated project completion to the extent of 45%.

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.

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

Name of the Subsidiaries	Country of Incorporation	Proportion of ownership interest as at 31.03.2011	Proportion of ownership interest as at 31.03.2010
Catalina bay USA Inc.	USA	100%	100%
Femella Fashions Private Limited	India	100%	100%

3. Insurance claims of Rs.24,998/- are being accounted for on receipt basis.
4. Debit & Credit balances are subject to confirmation & reconciliation, if any.
5. During the previous year, the company had written off Personnel and Administrative Expenses related to ongoing Real Estate Project over a period of three years which in aggregates comes to Rs. 1,29,89,630/- out of which 50% have been written off during the year as "expenses amortization" and Balance carried forward.

In the case of Indian subsidiary, due to losses during the year, no portion of deferred capital expenditure of Rs. 467.06 Lacs carried forward from the previous year could be written off.

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

A- By Company

Particulars	2010-11	2009-10
Salary to Mg. Director - Sh. Sanjeev Arora	Rs. 3,60,000/-	Nil
Salary to Director - Sh. Roop Kishore Fatehpuria	Rs. 7,80,400/-	Rs. 7,10,400/-
Perks-Conveyance Allowance - Sh. Roop Kishore Fatehpuria	Rs.9,600/-	Rs.9,600/-
Sitting Fee to Directors	Rs.29,750/-	Rs.12,600/-
Reimbursement of Medical Expenses- Sh. Pran Arora, Chairman	Rs.323,113/-	Nil

B- By Indian Subsidiary

Particulars	2010-11	2009-10
Salary to Director - Sh. Kavya Arora	Rs. 2,00,000/-	Rs. 1,75,000/-

7. The Earning per Share (EPS) in accordance with Accounting Standards(AS)-20 on "Earning per Share" issued by The Institute of Chartered Accountants of India is as under:

Particulars	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
Earnings (Loss) as per Profit & Loss Account Shares	35378651	(Rs.19832139)
-Weighted average Number of Equity share outstanding during the year- Basic	11590958	11590958
-Weighted average Number of Equity share outstanding during the year-Diluted	11590958	11590958
Earning per Share -Basic	3.05	(1.71)
Earning per Share -Diluted	3.05	(1.71)
Nominal Value per Share	Rs.10/-	Rs.10/-

8. 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.

9. 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 Sh. Pran Arora Chairman
- o Sh. Sanjeev Arora Managing Director
- o Sh. Rajiv Arora Director
- o Sh. Roop Kishore Fathepuria Executive Director
- o Sh. Surinder K Sood Director
- o Sh. Kavya Arora Director
(Indian Subsidiary)

OTHERS

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

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

Particulars	For the Year Ended 31.03.2011 (Rs. in Lacs)	For the Year Ended 31.03.2010 (Rs. in Lacs)
i) Purchase of fixed assets from - Key Managerial Personnel	Nil	19.00
ii) Salary, Perks & Sitting Fee to - Key Managerial Personnel	17.03	9.08
iii) Interest Paid to - Associate / Allied Concern	1.11	0.63

C) Amount due From/To Related Parties :

Particulars	ASON 31.03.2011 (Rs. in Lacs)	ASON 31.03.2010 (Rs. in Lacs)
i) Due from Related Parties (included in Loans & Advances & Sundry Debtors) - Associate/Allied Concern	787.10	284.87
/ other	1.11	Nil
ii) Due to Related Parties (included in Current Liabilities & Unsecured Loans) - Associate/Allied Concern	970.37	1677.06
-Due to Key Managerial Personnel	5.25	4.07

10. The company and its Indian subsidiary has not received information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.

11. 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.

12. Leases (AS-19):

S. No.	Particulars	31.03.2011	31.03.2010
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 ;	NIL	Rs.59,47,199/-
2.	later than one year and not later than five year;	NIL	Rs.1,71,91,418/-
3.	later than five years	NIL	Rs.38,84,183/-
b.	The total of future minimum sub-leases payment expected to be received under non-cancelable sub-leases at the balance sheet:	Rs.11,55,619/-	Rs.14,30,846/-
c.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	Rs.97,70,615/-	Rs.1,14,80,885/-
d.	Sub-leases payments received (or receivable) recognized in the statement of profit and loss for the period:	Rs.2,83,148/-	Rs.2,21,400/-
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	The lease agreement for the Gurgaon Office and showrooms renewable every three year subject to escalation of 15%

13. 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.
14. Corresponding figures of previous year have been regrouped / rearranged wherever deemed necessary.
15. 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.
16. Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.

Signature to Annexures 'A' to 'U'
for **S M Mathur & Co.**,
(Firm Registration No. 006588N)
Chartered Accountants

On behalf of the Board

For **Ritesh Properties and Industries Ltd.**

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

M.No. 013066

Place: New Delhi
Dated: 02.09.2011

sd/-
(Pran Arora)
Chairman

sd/-
(Sanjeev Arora)
Mg. Director

sd/-
(Roop Kishore Fathepuria)
Executive Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	Ps.	Rs.	Ps.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax & Extra Ordinary items	36,778,650.62		(19,832,139.26)	
Adjustments for				
- Depreciation	3,791,403.04		6,158,476.68	
- Interest paid on borrowing	2,835,974.00		2,862,838.66	
- Loss/(Profit) on sale of Assets	101,784.20		-	
- Dividend/interest received	(7,897,561.46)		5,786,392.02	
Operating profit before working capital charges	35,610,250.40		(14,045,747.24)	
Adjustments for				
- Payable	73,149,757.32		9,935,946.95	
- Receivable	(242,565.94)		645,886.75	
- Inventory	3,204,729.42		(10,694,993.07)	
- Loans & Advances	(57,818,682.72)		16,061,543.75	
Cash Generated from operations	53,903,488.48		1,902,637.14	
Interest paid	(2,835,974.00)		(2,862,838.66)	
	51,067,514.48		(960,201.52)	
Taxes paid	1,400,000.00		-	
Net Cash from operating activities (A)	49,667,514.48		(960,201.52)	
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1,473,988.00)		(5,161,653.91)	
Sale of Fixed Assets	340,000.00		-	
Sale of Investment	-		12,500,000.00	
Interest/Dividend Received	7,897,561.46		3,234,923.32	
Net cash used in investing activities (B)	6,763,573.46		10,573,269.41	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Capital Reserve	-		13,607,000.00	
Foreign Currency Translation Reserve	38,329.15		696,910.46	
Increase in Miscellaneous Expenditure	6,019,402.00		(26,074,711.10)	
Borrowing (Net)	(65,740,227.00)		7,821,903.54	
Net cash from financing activities ©	(59,682,495.85)		(3,948,897.10)	
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,251,407.91)		5,664,170.79	
Cash and Cash equivalents as at (Opening Balance)	8,436,076.95		2,771,906.16	
Cash and Cash equivalents as at (Closing Balance)	5,184,669.04		8,436,076.95	

Auditor's Report

As per our report of even date
for **S M Mathur & Co.**
(Firm Registration No. 006588N)
Chartered Accountants

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

Place : New Delhi
Dated : 02.09.2011

On behalf of the Board

For Ritesh Properties and Industries Limited

sd/-
(Pran Arora)
Chairman

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

(Roop Kishore Fathepuria)
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED

**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 Ina.
2. Financial year ending of the Subsidiary Company	March 31, 2011 (the company was incorporated on 29.06.2007 and the first financial year of the company covers the period since the Company's incorporation to March 31, 2008.	March 31, 2011 (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, 2011.	Nil	Nil
b) not dealt with in the accounts of the holding company for the period ended March 31, 2011.	Loss: Rs 17,698,433.09	Loss : Rs. 0.54 lacs
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, 2010	Nil	Nil
b) not dealt with in the accounts of the holding company for the period ended March 31, 2011.	Nil	Nil

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

Place : New Delhi
Dated : 02.09.2011

sd/-
(Pran Arora)
Chairman

sd/-
(Sanjeev Arora)
Managing Director

sd/-
(Roop Kishore Fatehpuria)
Executive Director

RITESH PROPERTIES AND INDUSTRIES LIMITED



NOTES



RITESH PROPERTIES & INDUSTRIES LIMITED
Regd. Office: 11/5B, First Floor, Pusa Road, New Delhi

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 24th Annual General Meeting of the Company held on Wednesday, 28th day of September, 2011 at 11.00 A.M. at : Lok Kala Manch, 20 Institutional Area, Lodhi Road, 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, Pusa Road, New Delhi

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 24th Annual General Meeting of the Company held on Wednesday, 28th day of September, 2011 at 11.00 A.M. at Lok Kala Manch, 20 Institutional Area, Lodhi Road, New Delhi and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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.

RITESH PROPERTIES AND INDUSTRIES LIMITED

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(Printed Matter)

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Ritesh Properties & Industries Ltd.

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

Pusa Road, New Delhi - 110005

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