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# 35<sup>th</sup> **ANNUAL REPORT** **2021-22**

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Ritesh Properties and Industries Limited

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Chairman cum Managing Director	Mr Sanjeev Arora
Executive Director	Mr. Kavya Arora
Executive Director	Mr. Roop Kishore Fatehpuria
Non-executive Non-independent Director	Mr. Hemant Sood (appointed on 14 <sup>th</sup> August, 2021 and ceased to be director on 09 <sup>th</sup> May, 2022)
Independent Directors	Mr. Deva Pampapathi Reddy (ceased to be director on 12 <sup>th</sup> July, 2022) Mr. Gurpreet Singh Brar Mr. Surendar Kumar Sood Ms. Shweta Sehgal Mr. Rohit Kumar Maggu (ceased to be director on 7 <sup>th</sup> June, 2021.)
Chief Financial Officer (CFO)	Mr. Deepak Sharma (appointed on 7 <sup>th</sup> December, 2021 in place of Mr. Kavya Arora who resigned on 06 <sup>th</sup> December, 2021)
Statutory Auditors	M/s. Khandelwal Jain & Co. Chartered Accountants GF- 8 & 9, Hans Bhawan, 1, Bahadur Shah Zafar Marg, New Delhi - 110002
Bankers	Axis Bank Udyog Vihar, Phase-V, Gurgaon 122016  ICICI Bank 6-D, Kitchlu Nagar, Ludhiana-141001
Project Office	Hampton Court Business Park, Nh-05, Opp. Fortis Hospital, Ldh-Chd Road, Ludhiana-141123, Punjab
Registered Office	11/5B, Pusa Road, New Delhi, Delhi-110060 CIN: L74899DL1987PLC027050 Website: <a href="http://www.riteshindustries.us">www.riteshindustries.us</a>
Corporate office	Plot No. 312, Udyog Vihar, Phase IV, Gurugram, 122015, Haryana
Registrar & Share Transfer Agent	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi-110020 Tel: 011 -40450193 - 97 Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>

## Contents

Sr. No.	Particulars	Page No.
1.	Notice of Annual General Meeting	3
2.	Directors' Report	19
3.	Secretarial Audit Report	26
4.	Management Discussion and Analysis Report	34
5.	Corporate Governance Report	40
6.	Standalone Financial Statements	58
7.	Consolidated Financial Statements	101

**RITESH PROPERTIES AND INDUSTRIES LIMITED**  
 Regd. Office: 11/5B, 1st Floor, Pusa Road, New Delhi-110060, India  
 Ph.: 011- 41537951/9212359076, Email-ID: [riteshlimited8@gmail.com](mailto:riteshlimited8@gmail.com)  
 Website: [www.riteshindustries.us](http://www.riteshindustries.us)  
 CIN: L74899DL1987PLC027050

## AGM NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 35th ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF RITESH PROPERTIES AND INDUSTRIES LIMITED ("THE COMPANY") FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022 WILL BE HELD ON FRIDAY, 30th DAY OF SEPTEMBER 2022 AT 12:00 NOON (IST) THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM") FACILITY TO TRANSACT THE FOLLOWING BUSINESSES:**

### ORDINARY BUSINESS:

**1. To receive, consider and adopt:**

The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022, the Audited Consolidated Financial Statements of the Company for the said Financial Year, together with the Reports of the Board of Directors and the Auditors thereon; and

**2. To appoint a director in place of Sh. Roop Kishore Fatehpuria (DIN: 00887774), who retires by rotation and being eligible, offers himself for re-appointment.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Sh. Roop Kishore Fatehpuria (DIN: 00887774) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company."

### SPECIAL BUSINESS:

**3. To approve the re-appointment of Sh. Roop Kishore Fatehpuria (DIN: 00887774) as the Whole Time Director.**

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto, read with rules framed thereunder, and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company, subject to such other consents, permissions as may be required and based on the recommendation of the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company, the approval of shareholders of the Company be and is hereby accorded for the re-appointment of Sh. Roop Kishore Fatehpuria (DIN: 00887774) as Whole-time Director of the Company, liable to retire by rotation, for a term of 3 years with effect from September 01, 2023 to August 31, 2026, notwithstanding that he has attained the age of more

than 70 (seventy) years during his term, on such terms and conditions as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years during the tenure of his appointment, the remuneration, as stated in the explanatory statement hereunder, comprising salary, perquisites and other benefits be continued to be paid as minimum remuneration to Sh. Roop Kishore Fatehpuria.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be recommended by the Nomination and Remuneration Committee of Board of Directors of the Company and permissible under the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally and/or jointly authorised to take such steps and to do all such acts, deeds, matters and things as may be considered necessary or desirable in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution and also to make such alteration and modifications, as may be required in compliance with the provisions of Schedule V of the Act."

**4. To approve the re-appointment of Sh. Kavya Arora (DIN: 02794500) as a Whole-time Director.**

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto, read with rules framed thereunder, and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company, subject to such other consents, permissions as may be required and based on the recommendation of the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company, the approval of shareholders of the Company be and is hereby accorded for the re-appointment of Sh. Kavya Arora (DIN: 02794500) as Whole-time Director of the Company, liable to retire by rotation, for a term of 3 years with effect from April 01, 2023 to March 31, 2026, on such terms and conditions as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years during the

tenure of his appointment, the remuneration, as stated in the explanatory statement hereunder, comprising salary, perquisites and other benefits be continued to be paid as minimum remuneration to Sh. Kavya Arora.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally and/ or jointly authorised to take such steps and to do all such acts, deeds, matters and things as may be considered necessary or desirable in this regard for and on behalf of the Company, including but not limited to, filing of necessary forms, returns and submissions under the Act to give effect to this resolution and also to make such alteration and modifications, as may be required in compliance with the provisions of Schedule V of the Act."

**5. Approval of charges for service of documents on the shareholders:**

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

"RESOLVED THAT pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under (including any statutory modification(s) or re- enactment thereof for the time being in force and as may be notified from time to time), whereby a document may be served on any shareholder by the Company by sending it to him, the consent of the shareholders be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, provided such request along with requisite fee has been duly received by the Company at least one week in

advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder.

RESOLVED FURTHER THAT any director and/ or key managerial personnel of the Company be and are hereby jointly and/ or severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable to give effect to the above resolution and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid."

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

**Sd/-**

**(Sanjeev Arora)**

**Chairman-Cum-Managing Director**

**DIN: 00077748**

**Place: Gurgaon**

**Date: 06.09.2022**

**Registered Office:**

**11/5B, Pusa Road,**

**New Delhi - 110060**

#### NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2022 dated May 05, 2022 read with General Circular No. 20/2020, 14/2020 and 17/2020 dated May 05, 2020, April 08, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") and SEBI has vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars") and other applicable circulars (Collectively referred to as ("Circulars") permitted holding of the Annual General Meeting ("the Meeting/AGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members, Directors, Auditors or other eligible persons at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act, 2013"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and aforesaid MCA and SEBI Circulars, the 35th AGM of the Company will be conducted through VC/OAVM.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") setting out material facts relating to Special Business under item no 03 to 05 of this Notice to be transacted at the 35th AGM is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is also provided in the said Statement.
3. The 35th AGM of the Company is being convened through VC/OAVM in compliance with the applicable provisions of the Act read with the MCA Circulars and Listing Regulations. In accordance with the provisions of Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance/ Clarification dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations, Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. CDSL will be providing facility for voting through remote e-voting, for participation in the 35th AGM through VC/ OAVM facility and e-voting during the 35th AGM. The instructions and other information relating to e-voting and the detailed procedure for participating in the meeting through VC / OAVM are given in this Notice under note no 24 to 27.
5. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement for the appointment of proxies. Accordingly, the facility to appoint proxies to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 113 of the Act, and rules made thereunder, the Body Corporates Members are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate and cast their votes through remote e-voting and e-voting during the 35th AGM of the Company. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional/Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., with attested specimen signature of the duly authorized signatory(ies) authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting and e-voting during AGM, to the Scrutinizer by email through its registered email address to [cszafar@gmail.com](mailto:cszafar@gmail.com) with a copy marked to [riteshlimited8@gmail.com](mailto:riteshlimited8@gmail.com) and [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
7. The quorum for the Annual General Meeting, as provided in Section 103 of the Act, is thirty members (including a duly authorized representative of a body corporate) and the members present in the meeting through VC/OAVM shall be counted for the purpose of quorum pursuant to MCA Circulars.  
Voting rights of the members for voting through e-voting shall be in proportionately the share of the paid-up Share Capital of the Company as on cut-off date i.e. 23rd September, 2022.
8. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. Recorded transcript of the Meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the Company shall be deemed to be the place of Meeting for the purpose of recording of the minutes of the proceedings of this AGM.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their DPs in case shares are held in electronic form or to Company's RTA i.e. Skyline Financial Services Private Limited in case shares are held in physical form.
11. Dispatch of Annual Report through E-mail



In accordance with the MCA Circulars and SEBI Circulars, the Notice of the 35th AGM along with the Annual Report of the Company for the financial year ended 31st March, 2022 are being sent only through electronic mode (e-mail) to those Members whose email addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA") or with their respective Depository Participant/s (DPs).

Members may note that the Notice and Annual Report for the financial year ended 31st March, 2022 is also available on the Company's website [www.riteshindustries.us](http://www.riteshindustries.us), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively and the AGM Notice is also available on the website of CDSL (Agency for providing the Remote e-voting facility) at [www.evotingindia.com](http://www.evotingindia.com).

We urge the shareholders for registration and/or updation of their Email id, Permanent Account Number (PAN) and bank mandate with the Company to ensure receipt of Annual Report, dividend and/or any other consideration and other communication timely, faster and easier and more importantly avoids fraudulent encashment of warrants.

Accordingly, to update the details with the Company, the following procedure may be followed:

Updating/ Registration	Procedure
<b>Email Id &amp; PAN</b>	<b>Physical Holding:</b> An email requesting for updation/ registration of email id with a copy of PAN card and mentioning folio number may be send to the Company's email id at <a href="mailto:riteshlimited8@gmail.com">riteshlimited8@gmail.com</a> or, Company's Registrar and Share Transfer Agent email id at <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> .
	<b>Demat Holding:</b> Update the email id/PAN through your Depository Participant. The Company had availed the service provided by CDSL to update email id of shareholders who has demat account with CDSL but has not yet updated email id, by sending SMS to those shareholders to update their email id.
<b>Bank Mandate</b>	<b>Physical Holding:</b> An email requesting for updation/registration of Bank Mandate with a copy of PAN card, cancelled cheque with name printed on cheque, copy of share certificate or any letter received from Company or dividend warrant where folio number is mentioned may be send to the Company's email id at <a href="mailto:riteshlimited8@gmail.com">riteshlimited8@gmail.com</a> or, Company's Registrar and Share Transfer Agent email id at <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> .
	<b>Demat Holding:</b> Update the Bank mandate through your Depository Participant

The Company has also issued public notice dated 07 September, 2022 urging the shareholders for registration and/or updation of their email id, Permanent Account Number (PAN) and bank mandate with the Company to ensure receipt of Annual Report, dividend and/or any other consideration and other communication timely, faster and easier and more importantly avoids fraudulent encashment of warrants.

12. Members may please note that in view of the proviso to Regulation 40(1) of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form (DEMAT) with effect from 1st April, 2019 except in case of request received for transmission or transposition of securities. Dematerialisation of shares would help to eliminate risks associated with Physical Shares. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019, can do so only after the shares are dematerialized.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent.
14. As per the provisions of Section 72 of the Act the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website, [www.riteshindustries.us](http://www.riteshindustries.us) members are requested to submit the said details to their DPs in case the shares are held by them in electronic form and to the Registrar and Share Transfer Agent in case the shares are held in physical form.
15. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA for consolidation into single folio.
16. Members are requested to intimate about change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates,

nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to the Company's Registrar and Share Transfer Agent, M/s Skyline Financial Services Private Limited, Address : D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110020 (Phone No.: 011-40450193-97; Email: [info@skylinerta.com](mailto:info@skylinerta.com) in case the shares are held in physical form and to the Depository Participants (DPs) in case of shares held in electronic form.

17. Non-resident Indian Members are requested to inform Company's Registrar and Share Transfer Agent, M/s Skyline Financial Services Private Limited, Address : D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi 110020 (Phone No.: 011-40450193-97; Email: [info@skylinerta.com](mailto:info@skylinerta.com), immediately of (a) Change in their residential status on return to India for permanent settlement. (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
18. The Board has appointed Mr. Mohd. Zafar, Practising Company Secretary (FCS: 9184), as the scrutinizer to scrutinize the remote e-voting process and also e-voting during the AGM in a fair and transparent manner. The Scrutinizer shall after the conclusion of e-voting at the 35th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting system and shall make a consolidated Scrutinizer's Report.
19. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.riteshindustries.us](http://www.riteshindustries.us) immediately after declaration. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.
20. Recorded transcript of the Meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company.
21. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ Depositories for receiving all communications including Annual Reports, Notices, Circulars etc. from the Company electronically.
22. Ms. Tarandeep Kaur, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this AGM including e-voting. The Members may contact at the following address: Name: Ms. Tarandeep Kaur Designation: Company Secretary and Compliance Officer Registered Office: 11/5B, First Floor, Pusa Road, New Delhi 110060, Delhi Email id: [riteshlimited8@gmail.com](mailto:riteshlimited8@gmail.com); Phone No.: 011-41537951.
23. Details as required under Regulation 36(3) of the Listing Regulations and Revised Secretarial Standards on General Meeting (SS-2) with respect to Directors seeking appointment/reappointment at ensuing AGM is given to this Notice.

#### 24. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. The Members are requested to join the 35th Annual General Meeting (AGM) through VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting i.e 12 Noon (IST) by clicking on the link <https://www.evotingindia.com> under Members login, where the EVSN of the Company will be displayed, by using the Remote e-Voting credentials and the same shall be kept open throughout the meeting and are also requested to follow the procedure mentioned in these notes.
- ii. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iii. In line with the Ministry of Corporate Affairs (MCA) Circular No. 02/2022 dated 05th May, 2022 along with 17/2020 dated 13th April, 2020 and other applicable circulars, the Notice calling the 35th AGM has been uploaded on the website of the Company at [www.riteshindustries.us](http://www.riteshindustries.us). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- iv. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of CDSL.
- v. Members who would like to express their views or ask questions during the 35th AGM of the Company will be required to register themselves as a speaker by sending e-mail to the Company Secretary & Compliance Officer at

[riteshlimited8@gmail.com](mailto:riteshlimited8@gmail.com) from their registered e-mail address mentioning their name, DP ID and Client ID number/folio number, email id, mobile number. Only those members who have registered themselves as speaker by 4 p.m. (IST) on September 24th, 2022 will be able to speak at the meeting.

- vi. Further, Members who would like to have their questions/queries responded to during the AGM are requested to send such questions/queries in advance within the aforesaid date and time, by following the similar process as stated above.
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- viii. When a pre-registered speaker is invited to speak at the meeting, but he/she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- ix. Members desiring any information regarding the Financial Statements of the Company to be placed at the AGM are requested to write to the Company through email on [riteshlimited8@gmail.com](mailto:riteshlimited8@gmail.com) latest by 4 p.m. (IST) on September 24th, 2022 so as to enable the management to keep the information readily available at the meeting.
- x. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [riteshlimited8@gmail.com](mailto:riteshlimited8@gmail.com). The same will be replied by the Company suitably.
- xi. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
- xii. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. After the Members participating through VC/OAVM facility, eligible and interested to cast votes, have cast their votes, the e-voting will be closed with the formal announcement of the closure of the 35th AGM of the Company.
- xiii. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 35th AGM of the

Company through VC/OAVM Facility.

- xiv. Members who need assistance before or during the AGM with use of technology, can send a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **25. THE INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- i. The remote e-voting period begins at 09:00 a.m. on Tuesday, 27th September, 2022 and ends at 05:00 p.m. on Thursday, 29th September, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 23rd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- iv. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- v. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.
- vi. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:



Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

**26. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING IN DEMAT FORM & PHYSICAL SHAREHOLDERS.**

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on "Shareholders" module.
- iii. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).</p>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on

which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

**Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the

system for the scrutinizer to verify the same.

- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [riteshlimited8@gmail.com](mailto:riteshlimited8@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id at [info@skylinerta.com](mailto:info@skylinerta.com).
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- iv. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.
- v. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai -

400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**28. General Guidelines for shareholders**

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - ii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evotingindia.com](http://www.evotingindia.com) or send a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
29. The scanned copies of Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the relevant documents referred to in the accompanying notice/ explanatory statement will be made available at [www.riteshindustries.us](http://www.riteshindustries.us) for inspection by the Members at the AGM, up to the date of this AGM. The same shall also be available for inspection upon login to CDSL e-voting system at <https://www.evotingindia.com>.
30. The compliance certificate issued by the Statutory Auditor as required under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, based on the instructions of the Stock Exchange i.e. BSE Limited, related to issue of Optionally Fully Convertible Debentures on preferential basis is attached herewith for noting of the shareholders.

**Independent Auditor's Certificate on the compliance with the conditions of proposed Private/ preferential allotment by Ritesh Properties and Industries Limited in terms of Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.**

To,

The Board of Directors

Ritesh Properties and Industries Limited

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

1. In connection with the proposed issuance of optionally fully convertible debentures by way of private/preferential issue on a private placement basis (hereinafter 'proposed preferential issue') of the Company, the Company is required to obtain a certificate from Statutory Auditors, with regard to compliance with the conditions of the proposed private/preferential issue, as per the requirements of sub-para 2 of para 163 of Part III of chapter V of the Security and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2018, as amended (the "ICDR Regulations").
2. The accompanying notice of EGM contains details of proposed preferential issue being made, as required by ICDR Regulations is prepared by the Management of the Company, which we have initialed for identification purposes only.

**Management's Responsibility for the Statement**

3. The preparation of the accompanying Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the below requirements of the ICDR Regulations:
  - i. Determine the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue;
  - ii. Determination of the minimum price of equity shares being higher of:
    - a. the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty-six weeks preceding the relevant date; or

- b. the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date;
- iii. compliance with the requirements of the ICDR Regulations.

**Auditor's Responsibility**

5. Pursuant to the requirements of sub-para 2 of para 163 of Part III of chapter V of the ICDR Regulations, it is our responsibility to obtain limited assurance and conclude as to whether the details of the proposed private/preferential issue provided in the Statement is in accordance with the requirements of the ICDR Regulations as applicable to the preferential issue.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('Guidance Note'), issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI
8. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
  - a. Noted the relevant date, being the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed private/preferential issue;
  - b. Verified the calculation of the minimum price of the equity shares to be allotted in private/preferential issue in accordance with pricing formula given in 5(ii) above;
  - c. Obtained and read the statutory registers of the Company to note equity shares are fully paid up;

- d. Read the certified copy of the board resolution passed at the Board Meeting produced before us by the management containing the list of the Proposed Allottees.
- e. Read the certified copy of the notice of general meeting produced before us by the management.
- f. Recomputed the arithmetical accuracy of the Statement; and
- g. Conducted relevant management inquiries and obtained necessary representations.

Independent Auditor's Certificate on the compliance with the conditions of proposed private/preferential allotment by Ritesh Properties and Industries Limited in terms of Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (Cont'd)

#### **Conclusion**

9. Based on our examination as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that the details of the proposed preferential issue provided in the Statement are not in accordance with the requirements of the ICDR Regulations as applicable to the private/preferential issue, except that the special resolution required for approval of shareholders for proposed preferential issue is yet to be passed as required by the ICDR Regulations

#### **Restriction on distribution or use**

10. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
11. This certificate is addressed to and provided to the Board of Directors of the Company solely with the purpose of placing before shareholders' of the Company (on the website of the Company) so as to provide them requisite information for

approving the proposed preferential issue of OFCD and for the purpose of further submission to the stock exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 105049W**

**Sd/-**  
**Manish Kumar Singhal**  
**Partner**  
**Membership No.: 502570**  
**UDIN: 22502570AEFPHG3796**

**Date: 05/03/2022**

**Place: New Delhi**



**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL MEETING ('SS-2')**

**ITEM NO. 3**

Sh. Roop Kishore Fatehpuria has a rich experience in the area of business of the Company. He has been associated with the Company since 2006 and since then the Company has been taking the advantage of his guidance and supervision. Mr. Fatehpuria's association with the Company as whole-time director would be beneficial to the Company and his continued support is required for further growth and development of the business of the Company. Under his supervision, there has been multifold capacity expansion across all businesses.

The present term of Mr. Fatehpuria as the Whole-time Director will expire on 31st August, 2023. Considering his immense contribution towards the operations of the Company, and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 06th September, 2022 approved and recommended the re-appointment of Mr. Fatehpuria as a wholetime director, who shall be liable to retire by rotation, for a further period of 3 years w.e.f. 01st September, 2023 to 31st August, 2026 as per the following terms of remuneration:

1. Salary: Rs. 1,65,000/- (One Lac Sixty-Five Thousand only) per month with such increments as the Board may decide from time to time subject to maximum ceiling of Rs. 2,00,000 (Rupees Two Lac only) per month;
2. Mr. Fatehpuria shall be entitled to the perquisites, benefits, and allowances as per the Policy for the employees of the Company;
3. He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company and committees thereof;
4. In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Sh. Fatehpuria as referred above, shall be the minimum remuneration and shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

The above may be treated as a written memorandum setting out the terms of re-appointment of Ms. Fatehpuria under Section 190 of the Companies Act, 2013.

In compliance of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India, the brief profile and relevant details and disclosures of Mr. Fatehpuria has been provided in annexure which shall form part of this explanatory statement.

The Board of Directors recommends the resolution set forth at Item No. 3 of the Notice for approval of the members by way of Special Resolution in the best interest of the Company.

Except Mr. Roop Kishore Fatehpuria, none of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 3 of the Notice.

**ITEM NO. 4**

Sh. Kavya Arora has been associated with the Company since 2011 and since then the Company has been taking the advantage of his guidance and supervision. Mr. Arora's association with the Company would be beneficial to the Company and his continued support is required for further growth and development of the business of the Company. Under his supervision, there has been multifold capacity expansion across all businesses.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 06th September, 2022, approved and recommended the appointment of Mr. Kavya Arora as a whole-time director, who shall be liable to retire by rotation, for a period of 3 years w.e.f. 01st April, 2023 to 31st March, 2026 as per the following terms of remuneration:

1. Salary: Rs. 7,00,000/- (Seven Lac only) per month with such increments as the Board may decide from time to time subject to maximum ceiling of Rs. 10,00,000/- (Rupees Ten Lac only) per month;
2. Mr. Arora shall be entitled to the perquisites, benefits, and allowances as per the HR Policy for the employees of the Company;
3. He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company and committees thereof;
4. In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Sh. Kavya Arora as referred above, shall be the minimum remuneration and shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

The above may be treated as a written memorandum setting out the terms of re-appointment of Ms. Mittal under Section 190 of the Companies Act, 2013..

Sh. Kavya Arora is son of Shri Sanjeev Arora, Chairman and Managing Director of the Company.

In compliance of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 on General Meetings issued by the Institute of Company Secretaries of India, a brief profile and relevant details and disclosures of Mr. Kavya Arora has been provided in annexure which shall form part of this explanatory statement.

Except Mr. Kavya Arora and Mr. Sanjeev Arora, and their relatives, no other Director or Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise, in the resolution proposed at Item No. 4 as contained in the Notice.

The Board recommends Item No. 4 as a Special Resolution for approval by the members of the Company.

**Item No. 5**

As per the provisions of Section 20 of the Companies Act, 2013 read with the rules made thereunder, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in

advance by the shareholder to the Company

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 5 of this Notice.

None of the Director of the Company, Key Managerial Personnel or their relatives, respectively, are in any way, financially or otherwise, concerned or interested in the proposed resolution.

**By Order of the Board of Directors**  
**For Ritesh Properties and Industries Limited**  
**Sd/-**  
**(Sanjeev Arora)**  
**Chairman-Cum-Managing Director**  
**DIN: 00077748**

**Place: Gurgaon**

**Date: 06.09.2022**

Profile of the Directors, being appointed/re-appointed, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India (ICSI)

Disclosures as required under Schedule V of the Act, 2013 for Mr. Kavya Arora and Mr. Roop Kishore Fatehpuria are given hereunder:

Name of the Director	Mr. Kavya Arora	Mr. Roop Kishore Fatehpuria
Father's Name	Mr. Sanjeev Arora	Late Sh. Sanwar Mal Fatehpuria
Date of Birth	September 15, 1987	September 02, 1953
Age	35 years	69 years
Date of first appointment	October 31, 2011	September 04, 2006
Brief resume and expertise in specific functional areas	Mr Kavya Arora (DIN:02794500), aged 34 years has an experience in business management of more than 14 years. Currently he is also involved in real estate activities of the Company. He looks into the financial affairs and business administration of the Company.	He has more than 48 years of Experience and possesses expert knowledge in the area of management. Prior to joining the Board of Ritesh Properties and Industries Limited ("RPIL"), he was associated with the Company and engaged in various important functions of RPIL viz. promoting brand building at national level, developing and execute marketing strategy, building and maintaining relationship with research organizations, advertising agencies and product promotional houses. His experience and guidance in the area of Business management is expected to continue to enhance our Company's image in the market significantly.
Qualification	He is graduated in Bachelor of Business Administration.	Graduation in Commerce from Rajasthan University in 1973.
Directorship held in other companies	7	Nil
Directorship held in listed companies	Nil	Nil
Chairman/ member of the committee of the Board of Directors of the Company	<b>Chairman:</b> Nil <b>Member:</b> a) Stakeholder Relationship Committee	<b>Chairman:</b> Nil <b>Member:</b> a) Stakeholder Relationship Committee b) Audit Committee
Chairman/ member of the committee of the Board of Directors of other companies in which he is a director	Nil	Nil
Chairman/ member of the committees of the Board of Directors along with listed entities from which the person has resigned in the past three years	Nil	Nil
Number of shares held in the Company as on March 31, 2022	7,13,455	Nil
No. of Board Meetings attended during the financial year 2021-22	6 out of 6 Meetings.	6 out of 6 Meetings.
Relationship with other Directors, Manager and KMPs of the Company	Son of Mr. Sanjeev Arora, Chairman Cum Managing Director of Company.	No Relationship
Terms & conditions of re-appointment	Please refer the explanatory statement	Please refer the explanatory statement

**Statement as required under Schedule V of the Companies Act, 2013**

**I. General information:**

**1. Nature of Industry**

Ritesh Properties and Industries Ltd (RPIL) is a leading public limited company with business interests in Real Estate & Fashion Industry. RPIL is based in Ludhiana under the leadership of Mr. Sanjeev Arora, Chairman cum Managing Director of the company. The Company was promoted by Mr. Pran Arora a leading industrialist of Punjab and father of Mr. Sanjeev Arora. The company is listed on BSE Limited.

**2. Date or expected date of commencement of commercial production:**

Commercial production already started in year 1987.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

**4. Financial performance based on given indicators:**  
(Amount in Lakhs)

Particulars	2021-22	2020-21	2019-20
Revenue from operations	13,617.47	11,732.62	10591.32
Profit Before Tax	2,498.69	2,663.12	177.17
Profit After Tax	2,379.10	2,230.37	165.92

**5. Foreign Collaboration:**

The Company does not have any foreign collaboration.

**II. Information about the appointee:**

**1. Background details:**

The details are already given in the foregoing paragraphs.

**2. Past remuneration:**

Mr. Kayva Arora	Mr. Roop Kishore Fatehpuria
i. FY 2021-22 – Rs. 72,00,000/-	i. FY 2021-22 – Rs. 19,30,000
ii. FY 2020-21 – Rs. 72,00,000/-	ii. FY 2020-21 – Rs. 18,32,600
iii. FY 2019-20 – Rs. 72,00,000/-	iii. FY 2019-20 – Rs. 18,60,000

**3. Recognition or awards:**

Mr. Kayva Arora	Mr. Roop Kishore Fatehpuria
Nil	Nil

**4. Job profile and his suitability**

Mr. Kayva Arora	Mr. Roop kishore Fatehpuria
Mr Kayva Arora has experience in business management of more than 16 years. Currently he is involved in real estate activities of the Company. He looks into the financial affairs and business administration of the Company.	Mr. Roop Kishore Fatehpuria has a rich experience in the area of business of the Company. He has been associated with the Company since 2006 and since then the Company has been taking the advantage of his guidance and supervision. Mr. Fatehpuria association and his continued support is required for further growth and development of the business of the Company.

**5. Remuneration proposed**

Already mentioned in the foregoing paragraphs.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**

Mr. Kayva Arora	Mr. Roop kishore Fatehpuria
For the responsibilities shouldered by Mr. Kayva Arora as Whole-Time Director of the Company in real estate activities and financial affairs and business administration of the Company, the remuneration of Mr. Kayva Arora compares favorably with the remuneration paid to the Whole-Time Directors / business heads of companies in similar industry having like sized and similarly positioned businesses including business volume, profit etc.	For the responsibilities shouldered by Mr. Roop Kishore Fatehpuria as Whole-Time Director of the Company is to execute the various day to day business affairs of the Company, the remuneration of Mr. Roop Kishore Fatehpuria compares favorably with the remuneration paid to the Whole-Time Directors / business heads of companies in similar industry having like sized and similarly positioned businesses including business volume, profit etc.
Hence, the Board of Directors considers that the remuneration being proposed is justified when compared with other organizations of the similar type, size and nature in the financial services industry.	Hence, the Board of Directors considers that the remuneration being proposed is justified when compared with other organizations of the similar type, size and nature in the financial services industry.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Mr. Kavya Arora	Mr. Roop Kishore Fatehpuria
Mr. Kavya Arora holds 7,13,455 equity shares in the Company and he is the son of Mr. Sanjeev Arora, Chairman Cum Managing Director of Company. Except for the above disclosures, and the proposed remuneration, Mr. Kavya Arora does not have any pecuniary relationship with the Company.	Except for the proposed remuneration, Mr. Roop Kishore Fatehpuria does not have any pecuniary relationship with the Company or with any other key managerial personnel.

**III. Other information:**

**1. Reason of loss or inadequate profits**

The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, in case the business of the Company is impacted in future due to business environment during the period.

**2. Steps taken or proposed to be taken for improvement:**

The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The inherent strengths of the Company, especially its reputation as a premium producer and powerful brands are also expected to enable the Company to position itself during adversities. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.

**3. Expected increase in productivity and profits in measurable terms with the continued efforts of Government of India, the business and consumer confidence are expected to improve further in the coming financial years.**

The various policy decisions taken would act as growth channel for the Company which would contribute to increased revenue and profits.

**IV. Disclosures:**

The necessary disclosures on re-appointment and remuneration etc. have been made under Corporate Governance Report which forms the part of the Annual Report.

**Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

**1. Financial and operating performance of the Company during the three preceding financial years:**

Details provided in para (I)(4) above.

**2. Remuneration or commission drawn by individual concerned in any other capacity from the Company:**

Mr. Kavya Arora and Mr. Roop kishore Fatehpuria does not

draw remuneration in any other capacity from the Company.

**3. Professional qualification and experience:**

Please refer Para II above.

**4. Relationship between remuneration and performance:**

The financial performance of the Company and remuneration drawn by Mr. Kavya Arora and Mr. Roop kishore Fatehpuria during last 3 years is given below:

(In lakhs)

Particulars	2021-22 (Post-Merger)	2020-21 (Post-Merger)	2019-20 (Post-Merger)
Revenue from operations	13,617.47	11,732.62	10591.32
Profit Before Tax	2,498.69	2,663.12	177.17
Profit After Tax	2,379.10	2,230.37	165.92
Annual Remuneration drawn by Mr. Kavya Arora	72.00	72.00	72.00
Annual Remuneration drawn by Mr. Roop kishore Fatehpuria	19.30	18.33	18.60

**5. The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company:**

The Company has a strong performance management culture. Remuneration of Whole-time Directors, and Key Managerial Personnel(s) are governed by the Company's Board-approved Nomination and Remuneration Policy. Further, every employee undergoes evaluation of his/her performance against the goals and objectives for the year and increase in compensation. Additionally, industry benchmarks are used to determine the appropriate level of remuneration, from time to time.

**6. Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:**

As on date, Mr. Kavya Arora holds 7,13,455 shares in the Company and none of his shares in the Company has been pledged.

Mr. Roop kishore Fatehpuria does not hold any share in the Company.

By Order of the Board of Directors  
For Ritesh Properties and Industries Limited  
Sd/-  
(Sanjeev Arora)  
Chairman-Cum-Managing Director  
DIN: 00077748

Place: Gurgaon

Date: 06.09.2022



## RITESH PROPERTIES AND INDUSTRIES LIMITED

Regd. Office: 11/5B, Pusa Road, New Delhi-110005  
 Ph: 0161-2174104/5, Fax: 0161-2174106, Email-ID: riteshlimited8@gmail.com  
 Website: www.riteshindustries.us  
 CIN: L74899DL1987PLC027050

### DIRECTORS' REPORT

#### For the Financial Year Ended 2021-22

Dear Shareholders,

Your Directors have pleasure in presenting the 35th Annual Report and Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2022.

#### FINANCIAL HIGHLIGHTS

The Company's Standalone and Consolidated Financial Performance during the year ended 31st March, 2022 as compared to the previous years is summarized as below:

Amount (Rs. in lakh)

Particulars	2021-22		2020-21	
	Consolidated	Stand-alone	Consolidated	Stand-alone
Revenue from operations	18510.12	13617.47	[-]	11,732.62
Other Income	1425.11	1240.08	[-]	875.34
Total Income	19935.24	14857.55	[-]	12,607.97
Depreciation and amortization	54.61	46.58	[-]	47.01
Total Expenses	15925.82	12358.86	[-]	9,944.85
Profit/(Loss) before exceptional, extraordinary items	4009.42	2498.69	[-]	2,663.12
Exceptional Item/ Extraordinary item	-	-	[-]	-
Profit & (loss) before tax	4009.42	2498.69	[-]	2,663.12
Tax Expense	(40.59)	119.59	[-]	432.76
Profit/ (Loss) after tax	4050.01	2379.10	[-]	2230.37

#### OPERATIONS AND STATE OF AFFAIRS

Highlights of the Company's financial performance for the year ended 31st March, 2022 are as under:

##### Standalone

- Operating income including the other income was Rs. 14,857.55 lakh.
- Profit before tax for the year Rs. 2,498.69 lakhs.
- Net Profit for the year Rs. Rs. 2,379.10 lakhs.

##### Consolidated

- Operating income including the other income was Rs. 19,935.24 lakh.
- Profit before tax for the year Rs. 4,009.42 lakhs.
- Net Profit for the year Rs. Rs. 4,050.01 lakhs.

The overall performance of the Company during financial year 2021-22, amid a challenging economic scenario, vindicates the effectiveness of the initiatives undertaken by the Company's Management so as to exploit better business opportunities in near future.

Further, During the year under review, Company has launched a new project under the name "Hampton Plaza" a commercial

complex having approx. 2,00,000.00 sq. ft. area and drawings for the same have been submitted to GLADA/PUDA for their approvals.

The Company has also tied up with Narayana Hrudayalaya Ltd. (NHL) to set up the Multi-Speciality Hospital in State of Punjab at Ludhiana on Hampton Project, Ludhiana-Chandigarh Road, NH-05, Ludhiana 141123.

Further, during the period, the Hon'ble National Company Law Tribunal ("NCLT") New Delhi Bench vide its order dated August 25, 2021, had approved the Scheme of Amalgamation amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited, HB Fibres Limited ("Transferor Companies") with and into Ritesh Properties and Industries Limited ("Transferee Company"/ "Company") and their respective shareholders and creditors (hereinafter referred to as "Scheme"). The appointed date for the Scheme of Amalgamation is 01st April, 2018. As a result of the implementation of the aforesaid amalgamation, the Transferor Companies as aforesaid were dissolved without winding up and accordingly, the Board of Directors in its meeting held on 1st December 2021 had allotted 1,16,29,812 (One Core Sixteen Lakhs Twenty-Nine Thousand Eight Hundred Twelve) equity shares to the shareholders of the Transferor Companies in terms of the sanctioned Scheme.

During the period, the Board of Directors in their meeting held on 06th December, 2021, have altered the object clause of the Memorandum of Association of the Company to include the objects related to development of land/ buildings/ premises, parks, hospitals, and other allied activities.

#### CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 of the Companies Act, 2013, the Consolidated Financial Statements of the Company prepared and are provided in the Annual Report.

#### INDIAN ACCOUNTING STANDARDS (IND-AS)

Financial Statements of your Company and its subsidiary for the financial year ended 31st March, 2022, are prepared in accordance with Indian Accounting Standards (Ind-AS), as notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

#### DIVIDEND

The Board has not recommended any dividend during the year under review, in order to retain the same in the business for further growth and projects to be undertaken by the Company and to strengthen the working capital of the Company.

#### COVID IMPACT

The second wave of COVID-19 pandemic led to loss of human life and suffering worldwide. It presented an unprecedented challenge to public health, food systems and the economy as a whole. The economic and social disruption caused by the pandemic was devastating. The real estate sector was impacted to some extent for the first two quarters and witnessed gradual recovery once the lockdown restrictions were eased and the economy started witnessing a strong recovery.

The health and safety of its employees and stakeholders remained the top priority for the Company, with several initiatives to support employees and their families during the pandemic. Management believes that it has taken into account all the possible impact of

known events arising from COVID-19 pandemic till date of approval of financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and actual results may differ materially from these estimates. The Company will continue to monitor any material changes to future economic condition and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic condition arise.

The Company has undertaken various measures to minimize COVID-19 impact such as implementing Work from Home (WFH), restriction on travel and minimizing contact with public, sanitization drives, followed appropriate Covid behaviour in terms of mandatory wearing of masks, thermal checks, maintaining proper hygiene, healthcare benefits, to employees and following the directives issued by State and Central government from time to time.

#### TRANSFER TO RESERVES

During the period under review, the Company had not transferred any amount to Reserves.

#### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, which remain unpaid or unclaimed for a period of seven years, from the date of transfer to Unpaid Dividend Account.

Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund Authority ("IEPF Authority").

During the year under review, no amount of the unclaimed/unpaid dividend and any such share in the Company were due to be transferred to the IEPF Authority.

#### SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

##### Authorized Share Capital

The Authorised share capital of the Company as on 31st March, 2022 was Rs 28,15,00,000/- (Rupees Twenty-Eight Crores Fifteen Lakhs Only) divided into 2,81,50,000 (Two Crores Eighty-One Lakhs Fifty Thousand) shares of Rs 10/- each.

##### Paid-up Share Capital

The paid-up capital of the Company as on 31st March, 2022 stood at Rs. 23,22,07,700/- (Rupees Twenty-Three Crores Twenty-Two Lakhs Seven Thousand Seven Hundred Only) divided into 2,32,20,770 (Two Crores Thirty-Two Lakhs Twenty Thousand Seven Hundred Seventy) Equity Shares of Rs. 10/- each.

During the period under review, 1,16,29,812 (One Crore Sixteen Lakhs Twenty-Nine Thousand Eight Hundred Twelve) equity shares were allotted in the Board Meeting dated 01st December, 2021 to the shareholders of the Transferor Companies pursuant to scheme of amalgamation filed amongst the Company, Ritesh Spinning Mills Limited, Ritesh Impex Private Limited and HB Fibres Limited and approved by National Company Law Tribunal (NCLT) vide its order dated 25th August, 2021.

During the period under review, the Company has allotted 12,22,145 (Twelve Lakhs Twenty-Two Thousand One Hundred Forty-Five) equity shares pursuant to conversion of 0% Optionally Fully Convertible Debentures (OFCDs) of face value of Rs 10 each/- on 22nd January, 2022.

Further, till the date of signing of this report, the Company has further allotted 12,86,469 (Twelve Lakhs Eighty-Six Thousand Four Hundred Sixty-Nine) equity shares pursuant to conversion of 0% Optionally Fully Convertible Debentures (OFCDs) of face

value of Rs 10 each/- on 30th May, 2022.

Thus, the paid-up capital of the Company as on the date of this report stands at Rs. 25,72,93,840 (Rupees Twenty-Five Crores Seventy-Two Lakhs Ninety-Three Thousand Eight Hundred Forty Only) divided into 2,57,29,384 (Two Crores Fifty-Seven Lakhs Twenty-Nine Thousand Three Hundred Eighty-Four) equity shares of Rs. 10/- each.

Further, till the date of signing of this report, the members of the company have approved stock split through postal ballot process dated 17th August, 2022 as follows and the Company is still in the process of implementing the same;

Sub-division of 1 Equity Share of the Company having face value of Rs. 10/- (Rupees Ten only) each fully paid-up into 10 Equity Shares having face value of Re.1/- (Rupee One only) each fully paid-up. The Company has fixed the record date of 03rd September for ascertaining the eligible shareholders for sub-division/split of face value of shares.

#### LISTING

During the year, 12,22,145 (Twelve Lakhs Twenty-Two Thousand One Hundred and Forty-Five) Equity Shares of the face value of Rs. 10/- each (Rupees Ten Only) were issued to Findoc Finvest Private Limited, a promoter/ promoter group company, ("Findoc") pursuant to the conversion of optionally fully convertible debentures ("OFCDs"). Consequently, on allotment of shares, total paid up share capital of the Company increased from its existing equity share capital of Rs. 23,22,07,700/- to Rs. 24,44,29,150/-. The listing approval was granted on 28th March, 2022 and trading approval for the same was granted by BSE Limited (Bombay Stock Exchange) on 07th April, 2022.

#### MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is presented in a separate section and marked as Annexure VI, forming part of this Annual Report.

#### CORPORATE GOVERNANCE

Your Company is committed to benchmark itself with global standards for providing good corporate governance. Your Board constantly endeavours to take the business forward in such a way that it maximizes long term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of SEBI Listing Regulations are duly complied with.

Parameters of statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Secretarial Auditors confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of Annual Report and marked as Annexure VIII.

Further, the CEO/CFO Certificate as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also presented in separate section forming part of Integrated Annual Report.

#### SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company hold 55% share in subsidiary partnership firm Finton Homes, pursuant to the Scheme of Amalgamation amongst Ritesh Spinning Mills Limited ("Transferor Company-1"), Ritesh Impex Private Limited ("Transferor Company-2"), H B Fibres Limited ("Transferor Company-3") with and into Ritesh Properties and Industries Limited ("Transferee Company"/"Company") and their

respective shareholders and creditors with the company under section 230 to 232 of the Companies Act, 2013 sanctioned by National Company Law Tribunal, New Delhi Bench vide order dated 25th August, 2021. The Consolidated Audited Financial Results for the financial year ended 31st March, 2022 represent the result of the Company including its subsidiary partnership firm, Finton Homes. This being the first reporting year for the consolidated results for the year ended 31st March, 2022. In this regard, A separate statement containing the salient features of the financial statement of subsidiaries, joint ventures and associates in Form AOC-1 is attached with this annual report as Annexure -XII

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto is available on the Company's website and can be accessed at <https://www.riteshindustries.us>.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)**

### **Re-Appointments / Appointments**

During the period under review, Mr. Sanjeev Arora (DIN 00077748) was re-appointed as the as the Chairman & Managing Director of the Company in the 34th AGM held on 31st December, 2021 for a period of 3 years with effect from 1st August, 2022 till 31st July, 2025.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Roop Kishore Fatehpuria [DIN: 00887774], whole-time director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the period under review, Mr. Hemant Sood was appointed as an additional director in the category of non-executive non-independent director of the Company with effect from 14th August, 2021 and Mr. Deepak Sharma was appointed as the Chief Financial Officer with effect from 07th December, 2021.

The details of Directors being recommended for reappointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate resolution(s) seeking your approval for the re-appointment of Directors are also included in the Notice.

### **Cessation**

During the Financial Year 2021-2022, Mr. Rohit Kumar Maggu has resigned from the position of Independent Director with effect from 07th June, 2021. Further, Board of Directors places on record its sincere appreciation for the support and valuable guidance given by Mr. Rohit Kumar Maggu during his tenure as Independent Director of the Company.

During the period under review, Mr. Kavya Arora has resigned from the position of Chief Financial Officer of the company with effect from 06th December, 2021.

Further till the date of signing of this report, Mr. Hemant Sood (DIN: 02446952), has resigned from the post of Non-Executive Non-Independent Director of the Company with effect from 09th May, 2022 and Mr. Deva Pampapathi Reddy has resigned from the position of Non-Executive Independent Director with effect from 12th July, 2022.

### **Key Managerial Personnel**

As on 31st March, 2022 till the date of signing of this report, Mr. Sanjeev Arora, Managing Director, Mr. Roop Kishore Fatehpuria, Whole Time Director, Mr. Kavya Arora, Whole Time Director, Mr. Deepak Sharma, Chief Financial Officer and Ms. Tarandeep Kaur, Company Secretary, are the Key Managerial Personnel of your Company, in accordance with the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Declaration by the Company**

The Company has issued confirmation to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on 31st March, 2022.

### **Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors pursuant to Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Directors and Senior Management Personnel.

In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

In the opinion of the Board, they fulfil the condition for appointment/re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iiiia) of the Companies (Accounts) Rules, 2014.

## **REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Act read with Rules 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Directors/Employees of the Company is set out in Annexure- IV to this Report.

The remuneration paid to the Directors is in accordance with the Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### **Remuneration Policy**

Pursuant to provisions of Section 178 of the Act and the SEBI Listing Regulations, the Nomination, Remuneration and Compensation Committee ('NRC Committee') of your Board has formulated a Remuneration Policy for the appointment and determination of remuneration of the Directors including criteria for determining qualifications, positive attributes, independence of a director, Key Managerial Personnel, Senior Management Personnel and other employees of your Company.

The NRC Committee has approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished and forms part of this Report.

The detailed Policy is available on the Company's website at <https://www.riteshindustries.us/pdf/Nomination%20&%20Remuneration%20Policy.pdf>.

## BOARD AND COMMITTEE MEETINGS

During the period under review, six meetings of the Board of Directors were held on 30th June, 2021, 14th August, 2021, 1st December, 2021, 6th December, 2021, 22nd January, 2022 and 14th February, 2022.

The intervening gap between any two consecutive meetings of the Board was within the stipulated time frame prescribed under the Act and the SEBI Listing Regulations.

Details of meetings held, and attendance of directors are mentioned in Corporate Governance Report, which forms part of this Report.

### Board Committees

Your Company has constituted several Committees of the Board which have been established as part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

As on 31st March 2022, your Board has 04 (four) mandatory Committees, namely,

- 1) Audit Committee,
- 2) Nomination, Remuneration & Compensation (NRC) Committee;
- 3) Stakeholders' Relationship Committee (SRC)
- 4) Restructuring Committee (RC)

The details with respect to the powers, roles, terms of reference, number of meetings etc. of the Committees held during the financial year 2021-22 and attendance of the members at each committee meeting, are provided in the Corporate Governance Report which forms part of this Report.

The details with respect to the powers, roles, terms of reference, number of meetings etc. of the Committees held during the financial year 2021-22 and attendance of the members at each committee meeting, are provided in the Corporate Governance Report which forms part of this Report.

All the recommendations made by the Committees of the Board including the recommendations of the Audit Committee were accepted by the Board.

### Audit Committee

As on 31st March, 2022, the Audit Committee comprises of 03 (three) members namely, Mr. Surinder Kumar Sood, Independent Director, Mr. Gurpreet Singh Brar, Independent Director and Mr. Roop Kishore Fatehpuria, Executive Director.

Mr. Surinder Kumar Sood, Independent Director is the Chairman of the Audit Committee.

All members of the Audit Committee are financially literate and have experience in financial management. The Committee inter alia reviews the Financial Statements before they are placed before the Board, internal control system and Reports of Internal Auditors and Compliance of various regulations. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

### Nomination And Remuneration Committee

As on March 31, 2022, the Nomination and Remuneration Committee comprises of three Independent Directors with Mr. Surendar Kumar Sood as Chairman, Mr. Gurpreet Singh Brar and Mrs. Shweta Sehgal as members. The Committee, inter alia identifies persons who are qualified to become directors and who may be appointed in senior management. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

### Stakeholders' Relationship Committee

As on March 31, 2022, the Stakeholders' Relationship Committee comprises of with Mr. Surendar Kumar Sood as Chairman (Independent Director), Mr. Roop Kishore Fatehpuria and Mr. Kavya Arora as members. The Committee inter alia reviews the grievance of the security holders of the Company and redressal thereof. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

### Restructuring Committee

On August 09, 2018, a committee was constituted with the name "Restructuring Committee" for the Proposed Merger & Amalgamation of Ritesh Spinning Mills Limited, H.B. Fibres Limited and Ritesh Impex Limited with and into Ritesh Properties and Industries Limited, and consisting of three directors, Mr. Surendar Kumar Sood (Chairman of the Committee), Mr. Kavya Arora (Member of the Committee), Mrs. Shweta Sehgal (Member of the Committee). The Committee meetings were organised regularly for the purpose of aforesaid merger. As on March 31, 2022, the constitution of the Committee remains the same.

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3)&(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on March 31, 2022, have evaluated the performance of Non-Independent Directors, Chairperson of the Company after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Nomination and Remuneration Committee has also carried out evaluation of performance of every director of the Company. On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the annual performance evaluation of the directors individually as well as evaluation of the working of the Board as a whole and committees of the Board.

The SEBI Listing Regulations mandate the Board of listed companies to monitor and review the Board Evaluation framework. Section 134(3) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 issued there under further provides that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued there under and Regulation 17(10) of the Listing Regulations states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Consequently, the Company is required to disclose the manner of formal annual evaluation. The Board evaluation exercise for financial year 2021-22 was carried out by way of internal assessments done based on a combination of detailed questionnaires and verbal discussions. The questionnaire for evaluation of the performance of Board was based on board composition, experience & competencies, understanding of business and competitive environment, quality of discussion at the board meeting, time spent by the board on the Company's long-term goals and strategies. The questionnaire for evaluation of the committee(s) was based on understanding of the terms of reference, discharge of its duties, performance of the committee, composition of the committee.

## Evaluation Outcome

The evaluation brought to notice that the sharing of information with the Board, its timeliness, the drafting of agenda notes and the content thereof as well as the drafting of the minutes were found to be satisfactory. All the Board Members were satisfied with the way the affairs of the Company were conducted

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors & their Report

M/s Khandelwal Jain & Co., Chartered Accountants (FRN 105049W) were appointed as Statutory Auditors for one term of 05 (five) consecutive years, at the 33rd Annual General Meeting of the Company, held on December 28, 2020, for auditing the accounts of the Company from the financial year 2020-2021 to 2024-2025. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing AGM.

The Statutory Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Statutory Auditors' Report issued by M/s Khandelwal Jain & Co. along with the standalone financial statements of the Company for the financial year ended March 31, 2022 forms part of this Annual Report. The Auditor's Report read together with the notes to accounts is self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation. Further, no qualification, reservation or adverse remark or disclaimer is made by the Statutory Auditor in his report.

Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

### Secretarial Auditors & their Report

The Board of Directors of the Company at their meeting held on 14th February, 2022 appointed, MZ & Associates, Company Secretaries, (Peer Review Firm No. 757/2020) as Secretarial Auditor of the Company for conducting the Secretarial Audit of the Company for the financial year 2021-22 as required under Section 204 of the Companies Act, 2013 and Rules thereunder read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Annual Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations, a Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as Annexure- I. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

### Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2022, on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from MZ & Associates, Secretarial Auditors as required under Regulation 24A of SEBI Listing Regulations. Annexure- II

### Cost Records and Cost Audit

Your Company has maintained cost accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Act and the relevant rules made thereunder.

Requirement of Cost Audit as stipulated under the provisions of Section 148 of the Act, are not applicable for the business activities carried out by the Company.

### Insolvency and Bankruptcy Code, 2016

There is no application made or any proceeding pending under the

Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY 2021-22.

### VIGIL MECHANISM/ WHISTLE-BLOWER POLICY

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a 'Whistle Blower Policy' to establish Vigil Mechanism for directors and employees to report genuine concerns. The policy is revised from time to time to align it with applicable regulations and/ or with organisations suitability. The latest policy is available on the website of the Company and the web link of the same is provided in the Corporate Governance Report. This policy provides a process to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrongdoing within the Company. The Company ensures that no personnel is denied access to the Chairperson of the Audit Committee.

During FY 2021-22, no complaint was received, and no individual was denied access to the Audit Committee for reporting concerns, if any.

### Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has robust internal financial controls (IFC) systems, which is in line with requirement of the Companies Act, 2013, which is intended to increase transparency & accountability in an organisation's process of designing and implementing a system of internal control and a system facilitating mapping with role-based authority to business & functional team to ensure smooth conduct of their operations across the organisation.

### ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2022, in prescribed e-form MGT-7 in accordance with Section 92(3) of the Act, read with Section 134(3)(a) of the Act, is available on the Company's website at [www.riteshindustries.us](http://www.riteshindustries.us).

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, Guarantees and Investments under section 186 of the Companies Act, 2013 form the part of the notes to the financial statements provided in this annual report.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has adopted a "Policy on Dealing with and Materiality of Related Party Transactions", in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, inter-alia, providing a framework for governance and reporting of Related Party Transactions including material transactions and threshold limits for determining materiality.

The said Policy is also available on the website of the Company at the web-link: <https://riteshindustries.us/Related-Party-Transaction-Policy.pdf>

During the year under review, all contracts/ arrangements/ transactions entered into by the Company with related parties were in ordinary course of business and on arm's length basis. The Company has not entered into any contracts/ arrangements/ transactions with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2021-22 and hence does not form part of this report.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions, formulated by the Company.



The details of the related party transactions as per Indian Accounting Standards (IND-AS) - 24 are set out in Notes to accounts to the Financial Statements of the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-V**

#### **MATERIAL CHANGES AFFECTING THE COMPANY**

##### **A. Change in nature of business**

The company has launched a new project under the name "Hampton Plaza" a commercial complex having approx. 2,00,000.00 sq. ft. Drawings for the same have been submitted to GLADA/PUDA for their approvals.

The Company has tied up with a hospital for the putting up Hospital in Ludhiana and to execute various agreements and conditions as require finalizing the same with a reputed chain of Hospitals.

Further, during the period under review, the Hon'ble National Company Law Tribunal ("NCLT"), New Delhi Bench vide its order dated August 25, 2021 had approved the Scheme of Amalgamation amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited, H B Fibres Limited ("Transferor Companies") with and into Ritesh Properties and Industries Limited ("Transferee Company"/"Company") and their respective shareholders and creditors (hereinafter referred to as "Scheme"). The Appointed Date for the Scheme of Amalgamation is 1st April, 2018. As a result of the implementation of the aforesaid amalgamation, the Transferor Companies as aforesaid were dissolved without winding up and accordingly, the Board of Directors in its meeting held on 1st December, 2021 had allotted 1,16,29,812 (One Core Sixteen Lakhs Twenty-Nine Thousand Eight Hundred Twelve) equity shares to the shareholders of the Transferor Companies in terms of the sanctioned Scheme.

##### **B. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

The Company has allotted 12,86,469 (Twelve Lakhs Eighty-Six Thousand Four Hundred Sixty-Nine) equity shares on 30th May, 2022 pursuant to conversion of 0% Optionally Fully Convertible Debentures (OFCDs) of face value of Rs 10 each/-.

Further, the Company in its Board meeting dated June 16, 2022, approved sub-division of the face value of equity shares of the Company from its existing face value of Rs 10/- per share to face value of Rs 1/- per share and consequential alteration in the capital clause of Memorandum of Association of the Company.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year under review, as per the provisions of section 135 of the Companies Act, 2013, the Company is falling under the ambit of CSR and thus, is required to spend at least two per cent. of the average net profits of the company made during the three immediately preceding financial years.

This is the first time that the CSR provisions are applicable to the Company. Therefore, the Company is in the process of formulating the Policy in compliance with the applicable laws and regulations. However, the Company has not constituted the CSR committee, since it is exempted from the same as per the provisions of section

135(9) of the Companies Act, 2013.

In Compliance of the Section 135 of the Companies Act, 2013 read with the rules made thereunder, as amended and applicable from time to time, detailed annual report on CSR activities undertaken by the Company during the year is given as Annexure-VII.

It is to be noted that for the reasons detailed under the aforesaid annual report on CSR the Company could not spend the CSR amount till date. Nonetheless, the Company will timely transfer the CSR amount to the funds specified under schedule VII on or before 30th September, 2022 in compliance with the provisions of section 135 of the Companies Act, 2013.

#### **DISCLOSURE ON ONE TIME SETTLEMENT**

During the year under review, the Company has not entered into any one-time settlement with the Banks or Financial Institutions who have extended loan or credit facilities to the company.

#### **SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS AFFECTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

As part of the group restructuring, the Board of directors of the Company in their Board Meeting held on 18th September, 2018, approved the Scheme of Amalgamation for merger of 3 (three) Group Companies, viz. Ritesh Spinning Mills Limited, Ritesh Impex Private Limited, H B Fibres Limited with Ritesh Properties and Industries Limited.

The Hon'ble National Company Law Tribunal ("NCLT") New Delhi Bench vide its order dated August 25, 2021 approved the Scheme of Amalgamation amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited, H B Fibres Limited ("Transferor Companies") with and into Ritesh Properties and Industries Limited ("Transferee Company"/"Company") and their respective shareholders and creditors (hereinafter referred to as "Scheme"). The Appointed Date for the Scheme of Amalgamation is 1st April 2018. As a result of the implementation of the aforesaid amalgamation, the Transferor Companies as aforesaid were dissolved without winding up and accordingly, the Board of Directors in its meeting held on 1st December, 2021 had allotted 1,16,29,812 (One Core Sixteen Lakhs Twenty-Nine Thousand Eight Hundred Twelve) equity shares to the shareholders of the Transferor Companies in terms of the sanctioned Scheme.

As on the date of this Report, there are no significant and material orders by any regulator, court, tribunal impacting the going concern status of the Company and its operations in future.

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules made thereunder.

Internal Complaints Committee(s) (ICCs) at each workplace of the Company, have been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

No complaint was complaint received from any employee of the Company during the FY 2021-22.

#### **SIGNIFICANT DEVELOPMENTS**

Although, the Company has achieved various milestones which have already been set out in the Management Discussion and Analysis forming part of the Annual Report, however there were no significant developments during the year under review.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134(3)(c) of the Act,

the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 at the end of the financial year 31st March, 2022 and of the profits of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **LISTING OF SHARES**

The equity shares of your Company are presently listed on the BSE Limited ('BSE'). The listing fee for the year 2022-23 has already been paid to the credit of the Stock Exchange.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

Pursuant to the provisions of Section 118(10) of the Act, the Company has complied with the applicable provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

#### **REPORTING PRINCIPLE**

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards and the Secretarial Standards.

#### **REPORTING PERIOD**

The financial information is reported for the period 1st April, 2021 to 31st March, 2022. Some parts of the non-financial information included in this Board's Report are provided as on the date of this Report.

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussions & Analysis Report describing the Company's projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand supply conditions, raw material prices, changes in government regulations, tax regimes and economic developments within the country and abroad and such other factors.

#### **GENERAL**

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions or events on these items during the year under review:

- a) Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director of the Company.
- b) During the year under review, the Company has not bought back any of its securities/ not issued any sweat equity shares / not provided any Stock Option Scheme to its employees / not issued any equity shares with differential rights.
- c) There was no revision of the previous year's financial statements during the financial year under review.

#### **PERSONNEL**

Your Directors wish to place on record their sincere appreciation for the devoted services of all the employees and workers at all levels and for their dedication and loyalty, which has been critical for the Company's success.

#### **ACKNOWLEDGEMENTS**

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

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

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

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

sd/-  
(Sanjeev Arora)  
Chairman-Cum-Managing Director  
DIN: 00077748

**Dated: 06th September, 2022**

**Place: Gurgaon**

**ANNEXURE - I  
Form No. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2022  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ritesh Properties and Industries Limited (hereinafter referred to as the "Company"). Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 to ascertain the compliance of various provisions of:-

- (i) The Companies Act, 2013 and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Financial Year 2021-22)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Financial Year 2021-22)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015;
  - (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (vi) The Employees State Insurance Act, 1948
- (vii) Employees Provident Fund and Miscellaneous Provisions Act, 1952

- (viii) Employers Liability Act, 1938
- (ix) Environment Protection Act, 1986 and other environmental laws
- (x) Air (Prevention and Control of Pollution) Act, 1981
- (xi) Factories Act, 1948
- (xii) Industrial Dispute Act, 1947
- (xiii) Payment of Wages Act, 1936 and other applicable labour laws

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Dissenting member's view were not required to be captured and recorded as part of the minutes as there was no such instance.
- There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Furthermore, we report that there were no instances of:-

- i. Redemption / buy-back of securities;
- ii. Foreign technical collaborations.

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

**Date: 30th May, 2022**

**Place: New Delhi**

**For MZ & Associates  
Company Secretaries**

**Sd/-  
CS Mohd Zafar  
Partner  
Membership No: FCS 9184  
CP: 13875  
UDIN: F009184D000430946**

**ANNEXURE A**

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: 30th May, 2022**

**Place: New Delhi**

**For MZ & Associates  
Company Secretaries**

**Sd/-  
CS Mohd Zafar  
Partner  
Membership No: FCS 9184  
CP: 13875  
UDIN:F009184D000430946**



## Annexure-II

### Secretarial Compliance Report of Ritesh Properties and Industries Limited For The Financial Year Ended 31st March, 2022

To,  
Ritesh Properties and Industries Limited  
Add: 11/5B, Pusa Road New Delhi 110060

We, **MZ & Associates**, a firm of Company Secretaries, having our office at I Floor, AIHP Palms, Plot No. 242 – 243, Udyog Vihar – Phase IV, Gurugram – 122015 have examined:

- a) all the documents and records made available to us and explanation provided by Ritesh Properties and Industries Limited (hereinafter referred to as “the listed entity”),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) other document/ filing, as may be relevant, which has been relied upon to make this certification

For the year ended 31st March, 2022 (“Review Period”) in respect of compliance with the provisions of

- a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- b) the **Securities Contracts (Regulation) Act, 1956** (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations);
- b) **Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;**
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Financial Year 2021-22)**
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Financial Year 2021-22)**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Financial Year 2021-22)**
- g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Financial Year 2021-22)**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (PIT Regulations);
- i) The Employees State Insurance Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Employers Liability Act, 1938, Environment Protection Act, 1986 and other environmental laws, Air (Prevention and Control of pollution) Act, 1981, Factories Act, 1948, Industrial Dispute Act, 1947, Payment of Wages Act, 1936 and other applicable labour laws and based on the above examination.

We hereby report that, during the Review Period:

- J) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- K) Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993 to the extent applicable to the Company and circulars/guidelines issued thereunder

And based on the above examination, we hereby report that , during the Review Period :

- a) The Company has ensured that the conditions as mentioned in 6(A) and 6(B) of SEBI circular Number CIR/CFD/CMD1/114/2019 dated October 18, 2019, has been included in the terms of appointment of the statutory auditor at the time of appointing the auditor.
- b) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/Circulars/Guidelines including specific Clause)	Deviations	Observations Remarks of the Practicing Company Secretary
	NA	-	-

- c) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder insofar as it appears from our examination of those records.
- d) The following are the details of actions taken against the listed entity/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken	Observations/Remarks of the Practicing Company Secretary, if any
-	-	-	-	-

- e) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31st March, 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
-	-	-	-	-

Date: 30thMay,2022

Place: New Delhi

For MZ & Associates  
Company Secretaries

Sd/-  
CS Mohd Zafar  
Partner  
Membership No: FCS 9184  
CP: 13875  
UDIN:F009184D000427437

**Annexure-III**  
**CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND**  
**CHIEF FINANCIAL OFFICER (CFO)**  
**(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Board of Directors  
Ritesh Properties and Industries Limited

We, Sanjeev Arora, Chairman Cum Managing Director & Deepak Sharma, Chief Financial Officer of the Company hereby certify that:-

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2022 and the best of our knowledge and belief;
  - i. Statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations;
- b. They are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have not found any significant deficiencies in the design or operation of such internal controls;
- d. We have indicated to the Auditors and the Audit Committee that there are: -
  - i. No significant changes in internal control over financial reporting during the year;
  - ii. No significant changes in accounting policies during the year; and
  - iii. No instances of significant fraud have come to our notice, which involve the management or an employee of the Company having significant role in the Company's internal control system.

**Place: Gurgaon**  
**Date: 30th May, 2022**

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

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

**Sd/-**  
**(Deepak Sharma)**  
**Chief Financial Officer**  
**DIN: 00077748**

# ANNEXURE-IV

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

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

The Percentage increase in the median remuneration of employees in the Financial Year 2021-22	18.56%
Median remuneration of all employees of the Company for the Financial Year 2021-22	3,45,000
The number of permanent employees on the roll of the Company as on 31st March, 2022	14
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was approx. no increase in the remuneration of the managerial personnel during the financial year 2021-22.  Whereas there was average percentile increase of 32.48% in the remuneration of the employees during the financial year 2021-22.

Name of Director	Remuneration of Director/KMP for the financial year 2021-22	Ratio of Remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2021-22
<b>Independent/ Non-executive Directors</b>			
Mr. Surendar Kumar Sood	94,000	0.27	N. A.
Mr. Gurpreet Singh Brar	58,000	0.17	N. A.
Mr. D.P Reddy	40,000	0.12	N. A.
Ms. Shweta Sehgal	42,000	0.12	N. A.
Mr. Hemant Sood	Nil	N. A.	N. A.
Mr. Rohit Kumar Maggu	Nil	N. A.	N. A.
<b>Executive Directors /KMPs</b>			
Mr. Sanjeev Arora, Chairman-Cum-Managing Director	1, 26, 24,000	36.59	Nil
Mr. Roop Kishore Fatehpuria, Whole Time Director	19,30,000	5.59	3.76
Mr. Kavya Arora, Whole Time Director and CFO	72,00,000	20.87	Nil
Tarandeep Kaur, Company Secretary	6,24,000	1.81	73.33
Deepak Sharma, Chief Financial Officer	7,56,000	2.19	N. A.

- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable, since no employee of the Company receives remuneration in excess of highest paid director.

- It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company.
- The list of top 10 employees of the Company shall be made available upon request to the Company. Also, there was no employee in the Company falling under the ambit of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

By Order of the Board of Directors  
For Ritesh Properties and Industries Limited  
Sd/-  
(Sanjeev Arora)  
Chairman-Cum-Managing Director  
DIN: 00077748

Dated: 06th September, 2022  
Place: Gurgaon

### ANNEXURE-V

#### (INFORMATION AS PER SECTION 134 (3) (m) READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2022)

##### I. CONSERVATION OF ENERGY

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

##### II. TECHNOLOGY ABSORPTION

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

##### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase export markets for products and services and export plans. The Company is carrying on real estate activities; hence this clause is not applicable.

b) Total Foreign Exchange used and earned:

(Amount in Rs)

Particulars	2021-2022	2020-2021
Used	---	---
Earned	---	---

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

**Sd/-  
(Sanjeev Arora)  
Chairman-Cum-Managing Director  
DIN: 00077748**

**Dated: 06th September, 2022**

**Place: Gurgaon**

## **ANNEXURE VI**

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

#### **Economic Overview:**

Despite the resurgence of the pandemic and expectations around its consequent impact, the Indian Economy has exhibited resiliency during these uncertain times and remains on the recovery path led by the efforts of the Government and policy support from the Central Bank. As per provisional estimates released by the National Statistical Office, India's real GDP contraction was estimated at 7.3% for the fiscal. The Central Bank, in its recent policy, has revised the economic growth estimates. The real GDP growth for Fiscal 2022 is now pegged at 9.5%. The inflation trajectory and rise in international commodity prices pose risks. However, a good monsoon backed by Government support should spur recovery. The Government is scaling up the vaccination rollout programme to support broad-based economic recovery.

#### **Industry Structure and Developments**

The year gone by has been a period of unprecedented challenges and uncertainties caused by the pandemic. This was compounded by its cascading effect in every facet of the economy and the industry. The real estate industry too, witnessed changes. This was as a result of systemic structural reforms and policy changes. The residential segment in particular has exhibited a surge with the fundamental growth drivers falling into place. The industry remains cognizant of the evolving market conditions with developers exhibiting adaptability along with agility to respond to the current situation. The Central and some State Governments have been proactive in taking steps to boost the housing industry. Various fiscal incentives announced by certain states, including stamp duty waiver and reduced charges, have aided growth. The establishment of a Special Window for Affordable and Mid-Income Housing (SWAMIH), to provide last mile financing for completion of stalled housing projects, is also aiding in completion of projects which had been held up and instilling further confidence in the consumers. 'Housing for All' under the Pradhan Mantri Awas Yojana and continued tax incentives for affordable segment provided by the Government will further boost sector dynamics. Consolidation in favour of the large, credible and organised players is clearly evident in the residential segment.

#### **Opportunities and challenges**

##### **i. Opportunities**

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. Your

Company's well accepted brand, contemporary architecture, well designed projects in strategic locations, strong balance sheet and stable financial performance even in testing times make it a preferred choice for customers and shareholders. Your Company is ideally placed to further strengthen its development potential by acquiring new land parcels.

##### **ii. Challenges**

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges such as unanticipated delays in project approvals; availability of accomplished and trained labour force; concern due to ongoing pandemic situation; increased cost of manpower; rising cost of construction; growth in auxiliary infrastructure facilities; and over regulated environment.

#### **Material developments in Human Resources / Industrial Relations front, including number of people employed**

The Company leverages diversity of knowledge, qualification, skill, professional experience, culture, geography and sectoral understanding to enhance its competitiveness. The Company believes in creating an inclusive environment, where diverse perspectives can enrich strategic perspectives. To enhance inclusiveness at work, our 'gender sensitivity' workshops sensitise the environment in strengthening our conduct towards women colleagues. The Company's holistic wellness programme sensitised employees around work-life balance and importance of a healthy lifestyle, emotional, physical well-being and prevention of diseases. The Company also rolled out a structured program to vaccinate all its employees and their families along with contractors'/ partners' staff & their families. As of March 31, 2022, the Company had 14 full time employees.

#### **Financial Performance of the Company**

During the year under review, your Company's operating income on Consolidated Basis was Rs. 19935.24 lakh. The Company has earned a profit after tax on Consolidated Basis of Rs. 4050.01lakh during the period under review. The revenue of the Company is generated from three segments namely development of real estate, textile division and investment division.

#### **Key financial ratios analysis**

A comparative table showing synopsis of FY 2021-22 versus FY 2020-21 of key financial ratio is provided below:

**STANDALONE BASIS:**

Ratios	Numerator	Denominator	As at 31/3/22	As at 31/3/21	% Variances	Reason for variances (if above 25%)
			Ratios	Ratios		
Current ratio	5933.25	785.41	7.55	2.17	247.92%	Current Liabilities have reduced hence Current ratio is improved.
Debt-Equity Ratio	1134.25	11042.06	0.10	0.06	66.67%	Due to increase in borrowed funds.
Debt Service Coverage Ratio	2643.18	401.34	6.59	15.19	-56.62%	Due to increase in borrowed funds.
Return on Equity Ratio	2382.93	11042.06	0.22	0.27	-18.51%	NA
Inventory Turnover Ratio	11471.10	841.66	13.63	7.44	81.85%	Due to Increase in Turnover, Ratio increased
Trade Receivable Turnover Ratio	13617.47	1459.12	9.33	7.89	18.25%	NA
Trade Payable Turnover Ratio	11379.09	711.99	15.98	13.54	18.02%	NA
Net Capital Turnover Ratio	13617.47	5147.84	2.65	4.10	-35.37%	Due to increase in net working capital.
Net Profit Ratio	2382.93	13617.47	0.17	0.19	-10.52%	NA
Return on Capital Employed	2498.69	11782.10	0.21	0.32	-34.38%	Due to increase in capital employed.
Return on Investment	2382.93	11782.10	0.20	0.27	-25.93%	Due to increase in capital employed

**CONSOLIDATED BASIS:**

Ratios	Numerator	Denominator	As at 31/3/22
			Ratios
Current ratio	17260.79	2514.22	6.87
Debt-Equity Ratio	1134.25	11042.07	0.10
Debt Service Coverage Ratio	4154.82	396.01	10.49
Return on Equity Ratio	4053.84	11042.07	0.37
Inventory Turnover Ratio	14598.92	3166.41	4.61
Trade Receivable Turnover Ratio	18510.12	3110.68	5.95
Trade Payable Turnover Ratio	18510.12	70.80	261.46
Net Capital Turnover Ratio	18510.12	14746.57	1.26
Net Profit Ratio	4053.84	18510.12	0.22
Return on Capital Employed	4100.21	12176.32	0.34
Return on Investment	4053.84	12176.32	0.33

Note: Being first year of consolidation previous year ratios, variance and reason of change are not applicable.



**Outlook**

Financial Year 2021-22 was an exciting year for the real estate sector, wherein we witnessed second wave led demand deferment in the first quarter, followed by a brisk sales recovery in the later part of the year.

Post-pandemic, developers have moved away from the traditional way of doing business and rightly focused on end-user customer demand with a strong focus on innovation and digital transformation. We believe Financial Year 2022-23 will witness a healthy sales momentum backed by solid structural foundation, sustained demand and relatively affordable mortgage rates. Financially strong and reputed developers with superior execution capabilities stand to benefit disproportionately from the ongoing cyclical upturn.

**Risks and Concerns**

In the course of its business the Company is exposed to stiff competition from other established developers in the market. In addition, it is exposed to certain market related risks, such as increase in interest rates and foreign currency rates, customer risks, changes in the government policies and unanticipated delays in project approvals. However, with the competitive advantages, as aforementioned, the Company is well posed to mitigate all such risks.

**Internal control systems and their adequacy**

Please refer Directors' Report for the same.

**Cautionary statement**

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

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

**Sd/-  
(Sanjeev Arora)  
Chairman-Cum-Managing Director  
DIN: 00077748**

**Dated: 06th September, 2022**

**Place: Gurgaon**

# ANNEXURE-VII

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES [Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies Corporate Social Responsibility) Rules, 2014]

- 1) Brief outline on CSR Policy of the Company.

Since this is the first time that the CSR provisions are applicable to the Company, the Company is still in the process of making CSR Policy in alignment with the overall philosophy of the Company of giving back to the society.

- 2) Composition of CSR Committee: **Not Applicable**

Pursuant to section 135(9) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 the Company is not required to constitute CSR Committee as the amount to be spent by the Company as specified under section 135(5) of the said Act doesn't exceed Rs. 50,00,000 (Rupees Fifty Lakhs) and the functions of CSR Committee shall be discharged by the Board of Directors.

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
-	-	-	-	-

- 3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- 4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**

- 5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	<b>Total</b>		

- 6) Average net profit of the company as per section 135(5). -  
**Rs. 7,21,08,350/-**

- 7) (a) Two percent of average net profit of the company as per section 135(5)-  
**Rs. 14,42,167/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **Nil**

(c) Amount required to be set off for the financial year, if any- **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c) -  
**Rs. 14,42,167/-**

- 8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).			
	Amt	Date of transfer	Name of the Fund	Amount.	Date of transfer
Rs. 14,42,167/-	-	-	funds specified under the Schedule VII as per section 135 of the Companies Act, 2013	Rs. 14,42,167/-	within a period of six months of the end of the financial year i.e., on or before 30 <sup>th</sup> September, 2022.

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: -

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	-	-	-	-	-	-	-	-	-
	Total								

(d) Amount spent in Administrative Overheads- **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 14,42,167/-**

(g) Excess amount for set off, if any: **Not Applicable**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs.).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.).	(9) Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

- 10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

**Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Nonetheless, the Company will timely transfer the CSR amount to the funds specified under schedule VII on or before 30th September, 2022 in compliance with the provisions of section 135 of the Companies Act, 2013.

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

**Sd/-  
(Sanjeev Arora)  
Chairman-Cum-Managing Director  
DIN: 00077748**

- 11) Reason for non-spending of CSR amount:

Being required to comply with the CSR provisions for the first time, the Company desired to find the most suitable project in alignment with its philosophy of giving back to the society. However, the Company couldn't find any suitable projects. Further, by the time Company realised, second wave of Covid 19 pandemic occurred in the country resulting in liquidity crunch due to which the Company was not able to spend the minimum amount for CSR activities.

**Dated: 06th September, 2022**

**Place: New Delhi**

## ANNEXURE VIII

### CORPORATE GOVERNANCE REPORT

As required under Regulation 34(3) read with Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the details of compliance by the Company with the norms on Corporate Governance are as under:

#### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is by which corporate entities are directed and controlled, encompassing the entire mechanics of the functioning of a Company. Good Corporate Governance practices are essential for sustainable business that aims at generating long term value to all its shareholders and other stakeholders.

The Company believes that strong governance standards, focusing on fairness, transparency, accountability, and responsibility are vital not only for the healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. The Company has always focused on good Corporate Governance Practices, which is a key driver of sustainable corporate growth and long-term value creation for its stakeholders. The Company has measures to periodically review and revise the Corporate Governance practices by subjecting business processes to audits and checks that measures up to the required standards. The Company believes that Corporate Governance is not just limited to creating checks and balances; it is more about creating organizational excellence leading to shareholder value. The Company always endeavours to create awareness of corporate vision and spark dynamism and entrepreneurship at all levels.

The Company has complied with the principles and practices of good Corporate Governance. The Company's philosophy is to attain transparency and accountability in its relationship with employees, shareholders, creditors, consumers, dealers and lenders, ensuring a high degree of regulatory compliance. Your Company firmly believes that a good governance process represents the foundation of corporate excellence.

#### **Listing Regulations**

The Company has complied with the provisions of the SEBI Listing Regulations, as amended, as applicable to the Company.

#### **2. BOARD OF DIRECTORS**

The Board of Directors ('Board') of the Company provides leadership, strategic guidance and independent view to the Company's management while discharging its responsibilities. The Board consists of distinguished persons having requisite knowledge and expertise in business & industry, corporate governance, corporate finance, taxation, legal matters, strategic & risk management etc.

#### **i. Composition of the Board**

The Board of the Company has an optimum combination of Executive Directors and Non-Executive Directors, including Independent Directors and Women Director, meeting with requirement of Regulation 17(1) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ('Act') read with the allied Rules. As on the 31st March, 2022, the Board consisted of 8 (Eight) Directors, 4 (Four) of whom were Independent Non-Executive Directors constituting 50% of the Board's total strength, 1 (One) of whom was Non-Executive - Non-Independent Director and other 3 (Three) were Executive Directors, 1 (One) of them belonging to the Promoter Group of the Company. The Chairman is an Executive Director.

The Company has also complied with the requirements of having a woman independent director on its Board under Section 149(1) of the Act and Regulation 17(1)(a) of the SEBI Listing Regulations. The Company has one woman director on its Board as of March 31, 2022.

The composition of the Board is in accordance with Regulation 17(1) of the SEBI Listing Regulations and Section 149 of the Act, 2013.

The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company

The Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations. As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation.

The Independent Directors do not have nor had any material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year apart from receiving the sitting fees, reimbursement of expenses incurred for attending the Board meeting, Committee meetings, Independent Directors' meeting and annual commission. All the Independent Directors have satisfied the criteria of independence as laid down in Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

ii. Attendance of each Director at the meeting of the Board of Directors and at the 34th Annual General Meeting and also the number of other Board of Directors or Committees in which a director is a member or chairperson:

- During the financial year 2021-22, 6(Six) meetings of Board of Directors were held on 30th June 2021, 14th August 2021, 1st December 2021, 6th December 2021, 22nd January 2022 and 14th February 2022.
- The composition of the Board of the Company and the attendance of each Director at the Board Meetings held

during the financial year 2021-22 and at the previous Annual General Meeting ("AGM") i.e. at the 34th AGM held on December 31, 2021 and also the number of other Boards or Board Committees in which the Directors are member/chairperson as on March 31, 2022 are as follows:

Name of the Director	Category of Directors	Disclosure of relationships between directors inter-se	Number of other Directorships and Committee Memberships/ Chairmanships			Name of other Listed Companies	Attendance Details	
			Other Directorship	Committee Memberships	Committee Chairmanships		Board Meetings	Last AGM
Mr. Sanjeev Arora	Chairman-cum-Managing Director/ Promoter	Mr. Sanjeev Arora is father of Mr. Kavya Arora	11	-	-	-	6	Yes
Mr. Roop Kishore Fatehpuria	Executive Director	No relationship	-	2	-	-	6	Yes
Mr. Kavya Arora	Executive Director/ CFO/ Promoter	Mr. Kavya Arora is son of Mr. Sanjeev Arora	7	2	-	-	6	Yes
Mr. Surendar K. Sood	Independent, Non-Executive	No relationship	3	-	3	Cremica Agro Foods Limited	6	Yes
Mr. Gurpreet Singh Brar	Independent, Non-Executive	No relationship	-	2	-	-	4	No
Mrs. Shweta Sehgal	Independent, Non-Executive	No relationship	-	1	-	-	4	No
Mr. Rohit Kumar Maggu*	Independent, Non-Executive	No relationship	-	-	-	-	-	No
Mr. D.P Reddy	Independent, Non-Executive	No relationship	2	1	-	Sab Industries Limited	4	Yes

\*\* Mr. Surendar K. Sood is an Director in M/s. Cremica Agro Foods Limited, is a listed Company having CIN No. L15146PB1989PLC009676 and Mr. D.P Reddy is an Director in M/s. Sab Industries Limited, is a listed Company having CIN No. L00000CH1983PLC031318, including Ritesh Properties and Industries Limited (Listed Company).

Mr. Rohit Kumar Maggu had resigned from the Company on June 07, 2021.

None of the Directors on the Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees as specified in Regulation 26(1) of the SEBI Listing Regulations, across all the companies in which he/she is a Director. For assessment of these criteria, the limit under Regulation 26(1), the membership/chairmanship of the Audit Committee and the Stakeholders' Relationship Committee

have only been considered.

On August 09, 2018, New Committee was constituted with the name "Restructuring Committee" for intimating the Proposed Merger & Amalgamation of Ritesh Spinning Mills Limited, H.B. Fibres Limited and Ritesh Impex Limited with and into Ritesh Properties and Industries Limited, and consequently the Committee was constituted with the three person (s) named: Mr. Surendar Kumar Sood (Chairman of the Committee), Mr. Kavya Arora (Member of the Committee), Mrs. Shweta Sehgal (Member of the Committee). The Committee meetings are organised regularly for seeking Updation of Merger in the Company.

The number of Directorships, Committee Membership(s)/ Chairmanship (s) of all Directors is within the limits as prescribed under the Act and the SEBI Listing Regulations.

Further, in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and the SEBI listing Regulations and are Independent of the management.

During the financial year 2021-22, all necessary information, as required under the applicable provisions of the Act, 2013, Part A of Schedule II of the SEBI Listing Regulations and SS-1 ("Secretarial Standard on Meetings of the Board of Directors") and other applicable laws, rules and regulations were placed and discussed at the Meetings of the Board of Directors.

**iii. Separate Meeting of Independent Directors:**

During the financial year 2021-22, as per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held whereby, all the Independent Directors were present, without the presence of the Non-Independent Directors and the members of the management of the Company. This meeting was conducted in a manner so as to enable the Independent Directors to discuss and review the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors and for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board. The outcome of the meeting was apprised to the Chairman of the Company.

The independent Directors provide an effective monitoring role and play an important role in deliberations at the Board and Committee Meetings and bring to the Company their expertise in the fields of business, corporate governance, management and law. The Company, from time to time, familiarizes its independent Director with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company. The details of familiarization programme are available on the website of the Company. The same is available on the website of the Company at [www.riteshindustries.us](http://www.riteshindustries.us).

The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements. Also, in the event of any cessation, the Company ensures that the composition is fulfilled within stipulated time.

**iv. Shareholding of Non-Executive Director(s):**

As on March 31, 2022, none of the Non-Executive Directors was holding any shares or convertible instruments in the Company.

**v. Skills/Expertise/Competence of the Board of Directors**

Details of core skills/expertise/competencies required by the Board for efficient functioning of the Company, in the context of business of the Company and sector to which the Company

belongs and status of those skills/expertise/competence available with the Board, are as follows: -

Skills/Expertise/Competencies required by the Board of Directors	Name of the directors who have such skills / expertise / competence	Status of availability
Understanding of Business/ Industry - Experience and knowledge of textile business and real Estate Business.	Mr. Sanjeev Arora, Mr. Roop Kishore Fatehpuria, Mr. Kavya Arora, Mr. Surendar K. Sood,	Yes
Strategy and strategic Planning - Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities.	Mr. Sanjeev Arora, Mr. Roop Kishore Fatehpuria, Mr. Kavya Arora, Mr. Surendar K. Sood, Mr. Gurpreet Singh Brar, Mrs. Shweta Sehgal, Mr. Rohit Kumar Maggu*,	Yes
Critical and innovative thoughts – The ability to critically analyse the information and develop innovative approaches and solutions to the problems.	Mr. Sanjeev Arora, Mr. Roop Kishore Fatehpuria, Mr. Kavya Arora, Mr. Surendar K. Sood, Mr. Gurpreet Singh Brar, Mrs. Shweta Sehgal, Mr. Rohit Kumar Maggu*,	Yes
Financial Understanding – Ability to analyse and understand the key financial statements, assess financial viability of the business and efficient use of resources.	Mr. Sanjeev Arora, Mr. Roop Kishore Fatehpuria, Billing, Mr. Kavya Arora, Mr. Surendar K. Sood, Mr. Gurpreet Singh Brar,	Yes
Corporate Governance – Understanding of the corporate governance norms and practises for sustainable growth and for generation of long-term value to all its stakeholders.	Mr. Sanjeev Arora, Mr. Roop Kishore Fatehpuria, Mr. Kavya Arora, Mr. Surendar K. Sood, Mr. Gurpreet Singh Brar, Mrs. Shweta Sehgal, Mr. Rohit Kumar Maggu*,	Yes



**vi. Confirmation that in the opinion of the Board of Directors the Independent Directors of the Company fulfils the conditions specified in the SEBI Listing Regulations and are independent of the management of the Company:**

Based on the declaration of independence pursuant to Section 149(6) of the Act, 2013 and SEBI Listing Regulations, received from each of the Independent Directors of the Company's, it is confirmed by the Board of directors that the Independent Directors of the Company fulfils the conditions specified in the SEBI Listing Regulations and are independent of the management.

**vii. Detailed reasons for the resignation of an independent director who resigns before the expiry of the tenure along with a confirmation by such director that there are no other material reasons other than those provided**

Mr. Rohit Kumar Maggu had resigned as an Independent Director position in the Company from June 07, 2021 due to some personal and unavoidable circumstance. He further confirmed that there are no material reasons for his resignation.

**viii. Board Meetings**

The Board meets at least once in quarter to review the quarterly business and the financial performance of the Company, apart from other Board business. However, the Board's function is not limited, to the matters, requiring approval of the Board statutorily. The Board is involved in all the important decisions relating to the Company and policy matters, strategic business plans, compliance with statutory/regulatory requirements, major accounting provisions, etc.

The Meeting of the Board are generally convened at the Company's Registered Office in New Delhi or Corporate office in Gurgaon. In case of urgency or when the Board of Meeting is not practicable to be held, the matters are resolved via circular resolution, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The Board Meetings are generally scheduled well in advance and the notice of the same is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information, are circulated to the Directors in advance as prescribed by law, to enable the Directors to take the informed decision, the same is tabled before the Board Meeting. The Board is also free to take up any matter, not included in the agenda, for consideration with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at the Board Meeting on the overall performance of the Company. The information as specified in Regulation 17(7) of the SEBI Listing Regulations and Secretarial Standard -1, as amended, is made available to the Board, wherever applicable.

The Minutes of the Board Meetings are circulated to all the Directors and confirmed at the subsequent Meeting. The Minutes of the Meetings of the Committee of the Board are

placed before the Board Meeting of the Company for its review.

The Board of Directors of the Company met 6(Six) times during the financial year 2021-22. At least 1 (one) Board Meeting was held in every quarter and the time gap between any 2 (two) Board Meetings did not exceed 120 days, as prescribed under the Act and the SEBI Listing Regulations.

The details of Board Meetings held are as follows:

**a) Number of Board Meetings**

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

Date of Board Meeting	Board Strength	Number of Directors present
30 <sup>th</sup> June, 2021	7	7
14 <sup>th</sup> August, 2021	7	6
1 <sup>st</sup> December, 2021	8	6
6 <sup>th</sup> December, 2021	8	6
22 <sup>nd</sup> January, 2022	8	8
14 <sup>th</sup> February, 2022	8	7

**b) Directors' Attendance Record**

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

Name of the Director	Number of Board Meetings	
	Held	Attended
Mr. Sanjeev Arora	6	6
Mr. Surendar K. Sood	6	6
Mr. Roop Kishore Fatehpuria	6	6
Mr. Kavya Arora	6	6
Mr. Gurpreet Singh Brar	6	4
Smt. Shweta Sehgal	6	4
Mr. Rohit Kumar Maggu*	6	0
Mr. Deva Pampathi Reddy	6	5
Mr. Hemant Sood**	6	3

**\*Mr. Rohit Kumar Maggu had resigned as an Independent Director position in the Company from June 07, 2021**

**\*\*Mr. Hemant Sood was appointed as Non-Executive Non-Independent Director w.e.f. 14<sup>th</sup> August, 2021.**

## 1. Board Committees

The Board of Directors of the Company being at the fiduciary position have crucial role in the governance structure of the Company and the Board has constituted various Committees to deal with specific areas/activities which need a closer review or which are operational or routine matters. In order to perform the duties in true spirit and in the interest of the Company and its stakeholders in efficient and timely manner, the Board has delegated its powers to various committees.

The Committees of the Board of Directors are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all committees are placed before the Board for review. Your Company has Four Board level committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Restructuring Committee

### i. Audit Committee

#### Composition

As on March 31, 2022, Audit Committee comprised of 3(three) members, of which at least two third were independent Directors. All the members of the Audit Committee are financially literate and bring in expertise in the fields of accounting or related finance management. The composition of the Audit Committee is in accordance with the provisions of the Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act.

The Audit Committee consists as follows:

S. N.	Name of the Committee Members	Category	Designation
1.	Mr. Surendar K. Sood	Non-Executive-Independent Director	Chairman
2.	Mr. Gurpreet Singh Brar	Non-Executive-Independent Director	Member
3.	Mr. Roop Kishore Fatehpuria	Executive Director	Member

### Meeting and Attendance

The committee met 6 (Six) times during the last year on 30th June, 2021, 14th August, 2021, 01st December, 2021, 6th December, 2021, 22nd January, 2022 and 14th February, 2022

Director	No of Meetings	
	Held	Attended
Mr. Surendar K. Sood	6	6
Mr. Gurpreet Singh Brar	6	6
Mr. Roop Kishore Fatehpuria	6	6

Ms. Tarandeep Kaur, Company Secretary of the Company, acts as the Secretary to the Committee.

The composition and terms of reference of the Audit Committee conforms to the requirements of Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the

Act, 2013.

**Terms of Reference of the Audit Committee are as follows:**

#### Powers of the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information required from any employee.
- To obtain external, legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considering necessary.

#### Role of Audit Committee:

The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as may be referred to by the Board or mandated by regulatory provisions from time to time;
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

#### Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- c. Internal audit reports relating to internal control weaknesses;
- d. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- e. Statement of deviations:
  - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### i. Nomination and Remuneration Committee

##### Composition:

As on March 31, 2022, the Nomination and Remuneration Committee of the Company comprises of 3 (three) directors, all being independent director

Sl. No.	Name of the Committee Members	Category	Designation
1.	Mr. Surendar K. Sood	Non-Executive-Independent Director	Chairman
2.	Mr. Gurpreet Singh Brar	Non-Executive-Independent Director	Member
3.	Mrs. Shweta Sehgal	Non-Executive-Independent Director	Member

The Nomination and Remuneration Committee met 5 (Five) times during the year on 30th June, 2021, 14th August, 2021, 1st December, 2021, 6th December, 2021 and 14th February, 2022..

Director	No of Meetings	
	Held	Attended
Mr. Surindar K. Sood	5	5
Mr. Gurpreet Singh Brar	5	5
Ms. Shweta Sehgal	5	5

#### Terms of Reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommended to the Board of Directors their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. To carry out evaluation of every director's Performance.
9. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification(s), amendment(s) or modification(s) as may be

applicable

10. To recommend to the board, all remuneration, in whatever form, payable to senior management.
11. To perform such other functions as may be necessary or appropriate for the performance of its duties

#### Performance evaluation criteria for independent directors

The Company has put in place a policy containing, inter-alia, the criteria for performance evaluation of the Board, its committees and individual Directors (including Independent Directors) and accordingly, the performance of individual directors, Chairman of the Board, committees and Board as a whole was evaluated during the year under review.

#### iii. Stakeholders Relationship Committee:

##### Composition:

As on March 31, 2022 the Stakeholders' Relationship Committee of the Company comprises of 3(Three) members, Mr. Surender K. Sood (Chairman), Mr. Roop Kishore Fatehpuria and Mr. Kavya Arora. The chairperson of the committee is a non-executive independent director.

Sl. No.	Name of the Committee Members	Category	Designation
1.	Mr. Surender Kumar Sood	Non-Executive-Independent Director	Chairman
2.	Mr. Roop Kishore Fatehpuria	Executive Director	Member
3.	Mr. Kavya Arora	Executive Director	Member

#### Meetings and Attendance:

The committee met 9 (Nine) times during the last year on 30th June, 2021, 14th August, 2021, 9th September, 2021, 1st October, 2021, 25th November, 2021, 6th December, 2021, 21st December, 2021, 22nd January, 2022 and 14th February, 2022 the details of which are as under:

Director	No of Meetings	
	Held	Attended
Mr. Surinder Kumar Sood	9	9
Mr. Roop Kishore Fatehpuria	9	9
Mr. Kavya Arora	9	9

#### Terms of Reference of the Stakeholder's Relationship Committee are as below:

- i. To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:
  - a. Transfer/transmission of shares,
  - b. Non-receipt of annual reports,
  - c. Non-receipt of declared dividend,
  - d. Issue of new/duplicate certificates,
  - e. General Meetings,
  - f. All such complaints directly concerning the shareholders/investors as stakeholders of the Company; and
  - g. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- ii. Reviewing the measures taken for effective exercise of voting rights by shareholders.
- iii. Reviewing the adherence to the service standards adopted by the Company in respect of various services being rendered by

the Registrar & Share Transfer Agent.

- iv. Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- v. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from the shareholders from time to time;
- vi. To review and approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split/sub-division/consolidation/renewal and to deal with all related matters;
- vii. To review and approve requests of dematerialization and re-materialisation of securities of the Company and such other related matters;
- viii. Appointment and fixing of remuneration of RTA and overseeing their performance;
- ix. Review the status of the litigation(s) filed by/against the security holders of the Company;
- x. Review the status of claims received for unclaimed shares;
- xi. Recommending measures for overall improvement in the quality of investor services;
- xii. Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 2015;
- xiii. Review the impact of enactments/amendments issued by the MCA/SEBI and other regulatory authorities on matters concerning the investors in general;
- xiv. Such other matters as per the directions of the Board of Directors of the Company and/or as required under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.

The table below gives the number of complaints received, resolved and pending during the financial year 2021-22.

#### Number of complaints:

Received	Resolved	Pending
3	3	Nil

All the complaints of the shareholders received by the company during the financial year 2021-22 has been resolved with the time limit as prescribed by the SEBI and none is pending at the closure of the financial year 2021-22.

#### Compliance Officer

Ms. Tarandeep Kaur is the Compliance Officer of the Company. She can be contacted for any investors' related matter relating to the Company. Her contact nos. is 91-161-214104-05, fax no. is - and e-mail ID is riteshlimited8@gmail.com.

#### 4. Remuneration Of Directors:

Details of pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company: - Nil

##### i. Executive Directors

The details of remuneration including commission to all Executive Directors for the financial year ended March 31, 2022, is as follows and the same is within the ceiling prescribed under applicable provisions of the Act, 2013.

Name	Salary	Comm- ission	Provident Fund	Perquisites and other allowances
Mr. Sanjeev Arora, MD	1,20,00,000	Nil	Nil	Nil
Mr. Kavya Arora, WTD	72,00,000	Nil	Nil	Nil
Mr. Roop Kishore Fatehpuria, WTD	18,60,000	Nil	Nil	Nil

The salary, contribution to provident fund and perquisites, if any, are fixed components. None of the remuneration component is linked to performance of the individual director. For the purpose of severance fees 'Salary' means basic salary of Directors.

#### Criteria of making payments to Non- Executive Directors:

The Company has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board.

The Non-Executive Directors are entitled to sitting fees for attending Meeting of the Board, its committee. The remuneration to the Whole-Time Director is paid on the scale determined by the Nomination and Remuneration Committee/ Board of Directors within limits approved by the shareholders at the General Meeting.

The details of sitting fees and annual commission to Non-Executive Directors for the financial year 2021-22 are as follows:

Name and Designation	Sitting Fees	Commission
Mr. Gurpreet Singh Brar, ID	0.58	Nil
Mrs. Shweta Sehgal, ID	0.42	Nil
Mr. Rohit Kumar Maggu, ID	Nil	Nil
Mr. Surendar K. Sood, ID	0.94	Nil
Mr. Deva Pampathi Reddy, ID	0.40	Nil

No sitting fee is paid to the Executive Directors for attending the Board Meetings or Committee Meetings thereof.

#### Service contracts, notice period, severance fees:

The appointment of the whole-time directors is governed by resolutions passed by the Shareholders of the Company, which covers the terms and conditions of such appointment, read with the service rule of the Company. A separate service contract is not entered into by the Company with whole-time director. The office of the whole-time director can be terminated by giving three months' notice or on payment of three-month basic's salary in lieu thereof from either side. No severance fee is payable to any Director.

#### Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The Company does not have any stock option scheme.

#### 5. Code of Conduct

Details of the Code of Conduct for Board members and senior management of the Company is available on the Company's website at <https://riteshindustries.us/pdf/Code%20of%20Conduct%20-%20RPIL.pdf>. Annual declaration signed by the Managing Director & CFO of the Company pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI Listing Regulations is annexed to the report.

#### 6. Materially significant related party transactions

Related Parties and transactions with them as required under IND-AS24 are furnished under the Notes to the Accounts attached with the financial statements for the year ended March 31st, 2022.

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 structures were imposed by Stock Exchange, SEBI or by any other statutory authority during the period under review.

#### 7. Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included in this Annual Report and include discussion on the matters specified in the Regulation 34 of SEBI Listing Regulations.

#### 8. General Body Meetings

##### i. Details of last three Annual General Meetings (AGM)

The details of last three AGM were held as per the details given below:

Year	Venue	Date & Time	Special resolutions passed in the meeting
2020-21	Through Audio Visual Means	31 <sup>st</sup> December, 2021 at 12:00 noon	1. Re-appointment of Mr. Sanjeev Arora as Chairman & Managing Director of the Company. 2. Alteration in the Memorandum of Association of the Company 3. To fix borrowing powers and authorization to secure the borrowings, if required, under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013. 4. Approval for making investments/extending loans and giving guarantees or providing securities in connection with loans exceeding the ceiling prescribed under Section 186 of the Companies Act, 2013 5. Approval of loans, guarantee or security under section 185 of Companies act, 2013 6. To Increase the Remuneration of Mr. Roop Kishore Fatehpuria (DIN-00887774) Whole-time Director
2019-20	Through Audio Visual Means	28 <sup>th</sup> December, 2020 at 12:00 noon.	1. Re-appointment of Mr. Roop Kishore Fatehpuria as the Whole Time Director; 2. Re-appointment of Mr. Kavya Arora as the Whole Time Director; 3. Alteration in the clause III (B) and III (C) of the memorandum of association (MOA); 4. Alteration in the clause iv of the MOA; 5. Adoption of new set of Articles of Association of the Company.
2018-19	NCUI Auditorium & Convention Center, 3, August Kranti Marg, New Delhi 110016	30 <sup>th</sup> September, 2019 at 12:00 p.m.	1. Increase in remuneration of Mr. Roop Kishore Fatehpuria, Whole Time Director; 2. Re-appointment of Mr. Surendar Kumar Sood as an Independent Director; 3. Re-appointment of Mr. Gurpreet Singh Brar as an Independent Director; 4. Re-appointment of Ms. Shweta Sehgal as an Independent Director; 5. Re-appointment of Mr. Sanjeev Arora as Chairman & Managing Director of the Company.

## ii. Postal Ballot:

- a) The Details of Special Resolutions passed through postal ballot during the financial year 2021-22:

During the financial year 2021-22, no resolution was passed through postal ballot.

However, a special resolution was passed in accordance with the order dated 24th February, 2021 ("Order"), the Hon'ble National Company Law Tribunal, New Delhi, Bench – II ("NCLT"), to convene Shareholder meeting in the matter of the Scheme of Amalgamation of Ritesh Spinning Mills Limited (Applicant Company I / Transferor Company 1), Ritesh Impex Private Limited (Applicant Company II / Transferor Company 2), H B Fibres Limited (Applicant Company III / Transferor Company 3) and Ritesh Properties and Industries Limited (Applicant Company IV / Transferee Company). The E-voting period for the same prior to the meeting commenced on March 04, 2021 and ended on April 02, 2021.

Further, in the Board Meeting dated 16th June, 2022; company has approved issuance of Postal Ballot Notice for considering Sub-division of Equity shares of the company from Rs. 10/- each to Re. 1/- each and consequential alteration in Memorandum of association of the company. The Notice was issued on 16th June, 2022. The results of the voting done through Postal Ballot were declared on 18th August, 2022.

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 22 of the Companies (Management

and Administration) Rules, 2014, as amended from time to time, and General Circulars issued by Ministry of Corporate Affairs in this regard on account of the threat posed by Covid-19.

### b) Person who conducted the Postal Ballot exercise

Not Applicable

### c) Whether any special resolution is proposed to be conducted through postal ballot

There is no immediate proposal for passing any special resolution through Postal Ballot.

### d) Procedure for Postal ballot

Not Applicable

## 9. Means of Communication

Timely disclosure of consistent, comparable, relevant & reliable information on corporate financial performance is at the core of good governance. Towards this end:

### a) Quarterly/Half Yearly/Annual Results:

Quarterly, half yearly and annual results of the company are sent to the stock exchanges immediately after they are approved by the Board.

### b) Publication of Quarterly/Half Yearly/Annual Results:

Quarterly, half yearly and annual results of the company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board, atleast in one English national newspaper and in one vernacular newspaper of New Delhi, where the registered office of the company is situated.

Quarterly financial results during the financial year 2021-22 were published as detailed below:

Quarter Ended	Date of Board Meeting	Date of Publication	Name of Newspapers
30.06.2021	14.08.2021	16.08.2021	The Business Standard (English & Hindi)
30.09.2021	22.01.2022	25.01.2022	The Business Standard (English & Hindi)
31.12.2021	14.02.2022	15.02.2022	The Business Standard (English & Hindi)
31.03.2022	30.05.2022	01.06.2022	The Business Standard (English & Hindi)

**c) Website:**

Quarterly, half yearly and annual results of the company are sent to the stock exchanges as well as displayed on Company's website [www.riteshindustries.us](http://www.riteshindustries.us) at the time of its release to the media.

**d) Whether website also displays official news releases:**

The Company has maintained a functional website [www.riteshindustries.us](http://www.riteshindustries.us) containing basic information about the Company e.g. details of its business, financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievance, etc

**e) Presentations made to institutional investors or to the analysts:**

Nil

**10. General Shareholders Information**

The following information would be useful to our shareholders:

**a) Annual General Meeting**

The 35th Annual General Meeting ("AGM") of the members of Ritesh Properties and Industries Limited ("the Company") for the financial year ended March 31, 2022 will be held on Friday, 30th September, 2022 at 12 Noon (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") in accordance with the applicable provisions of the Companies Act, 2013 ("Act, 2013") read with Ministry of Corporate Affairs (MCA) General Circular No. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021; 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021 and 02/2022 dated May 5, 2022 issued by MCA (hereinafter referred as "MCA Circulars") read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the

Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b) Dividend payment date**

Not Applicable

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

Name and Address of Stock Exchanges	Stock Code
BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	526407

There are no pending dues with Bombay Stock Exchange.

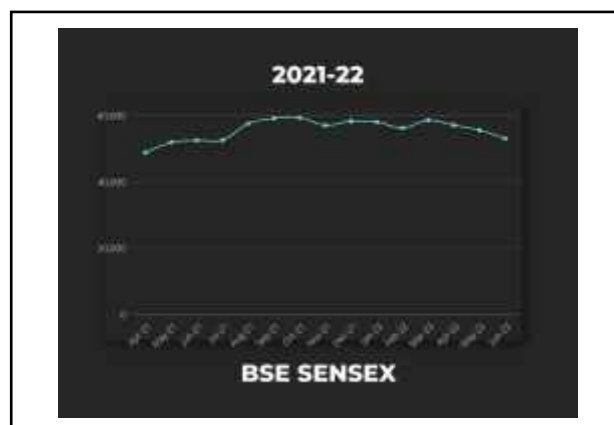
**d) Market price data for each month during the financial year 2021-2022 :**

Monthly high and low prices of equity shares of Ritesh Properties and Industries Limited at the BSE Limited (BSE) in comparison to Sensex are given hereunder:

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

Month	BSE		
	Share Prices		Volume
	High	Low	
April, 2021	40	34	449920
May, 2021	83.2	37.05	332622
June, 2021	94.5	63.95	436523
July, 2021	109.6	88	356868
August, 2021	225.35	98.4	290170
September, 2021	273.8	148.6	321640
October, 2021	316	200.9	229610
November, 2021	311.95	192.25	53054
December, 2021	535	225.55	268443
January, 2022	450	405.65	207572
February, 2022	522.9	424	89369
March, 2022	499.95	346.75	67903

**e) performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;**







**f) Suspension of Securities during the financial year 2021-22**

During the financial year 2021-22, the securities of the Company were not suspended from trading.

**g) Financial Calendar:**

Last financial year of the Company was of twelve months from 01st April, 2021 to 31st March, 2022. Tentative financial calendar of the Company for the year 2021-22 shall be as follows:

Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30 <sup>th</sup> June, 2022	On or before August 14, 2022
Financial Results for the quarter ending 30 <sup>th</sup> September, 2022	On or before November 14, 2022
Financial Results for the quarter ending 31 <sup>st</sup> December, 2022	On or before February 14, 2023
Financial Results for the quarter ending 31 <sup>st</sup> March, 2023	On or before May 30, 2023

**h) Registrar & Transfer Agent**

Skyline Financial Services Private Limited  
D-153-A, First Floor  
Okhla Industrial Area, Phase-I  
New Delhi- 110020  
Phones: 011-40450193(4 lines)  
Fax: 011-30857562  
E-mail: [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

**i) 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 30 days from the date of receipt.

**Date of Book Closing**

23rd September, 2022 to 30th September, 2022 (both days inclusive).

**Updation of KYC Details**

SEBI vide its Circular dated 3rd November, 2021, has laid down common and simplified norms for processing investor's service and effective 1st January, 2022, instructed the RTAs to not process any service requests or complaints received from either the security holder(s) or the claimant(s), till PAN, KYC and Nomination documents/details are received.

It is mandatory for all holders of physical securities to furnish their:

- PAN,
- Nomination,
- Bank Details,
- Complete Postal address with PIN,
- Email,
- Mobile No. and
- Signatures

to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios and the Folios wherein even any one of the said details are not available on or after April 01, 2023, shall be frozen by the RTA.

SEBI has prescribed standardised Forms for updation of all the abovesaid details and the same are available on the website of the Company in the Shareholders' Corner.

Nomination is compulsory and in case a security holder does not wish to nominate, then a specific declaration for opting out of nomination has to be furnished in the prescribed Form.

Updation of Email address enables the Company to better service shareholder correspondence. Shareholder(s) holding shares in dematerialised form are requested to notify change in their bank details / address / email Id etc. directly with their respective Depository Participants.

**j) Dematerialization of Shares**

84.01% of Equity Shares of the Company are in dematerialized form as on 31st March, 2022. The shares of the Company are available for dematerialization with both the depositories i.e. NSDL and CDSL vide ISIN No. INE 299D01014.

**k) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;**

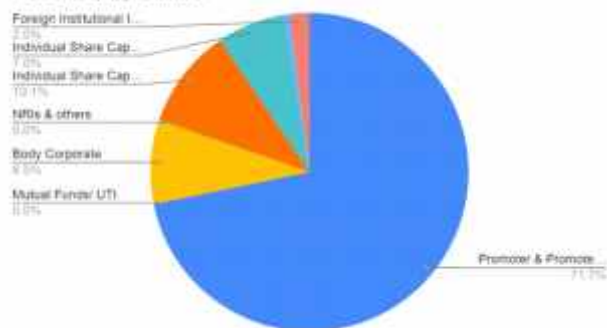
NA

**l) Shareholding Pattern:**

Shareholding pattern in Ritesh Properties and Industries Limited as on March 31st, 2022 and March 31st, 2021 for the purpose of reporting in the Annual Report of the Company for the year 2021-22 is given as under:

Category	As on 31.03.2021		As on 31.03.2022	
	No. of Equity Shares	%	No. of Equity Shares	%
Promoter & Promoter Group	6082490	52.48	17534513	71.74
Mutual Funds/ UTI	200	0.00	200	0.00
Body Corporate	1465046	12.64	2088094	8.54
NRIs & others	5615	0.05	11884	0.05
Individual Share Capital up to 1lacs	3152710	27.20	2475346	10.13
Individual Share Capital in excess of 1 lacs	727492	6.28	1704849	6.97
HUF & Clearing Members	119565	1.03	132560	0.54
Foreign Institutional Investors	34283	0.30	491424	2.01

No. of Equity Shares



#### m) Distribution of Shareholding

As on March 31st, 2022 the distribution of shareholding was as follows:

#### PAN CONSOILDATION

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	14668	97.22	20248590.00	8.28
5001 To 10,000	251	1.66	2066500.00	0.85
10001 To 20,000	88	0.58	1299130.00	0.53
20001 To 30,000	17	0.11	438160.00	0.18
30001 To 40,000	11	0.07	403680.00	0.17
40001 To 50,000	12	0.08	578120.00	0.24
50001 To 1,00,000	8	0.05	636610.00	0.26
1,00,000 and Above	32	0.21	218758360.00	89.50
<b>Total</b>	<b>15087</b>	<b>100.00</b>	<b>244429150.00</b>	<b>100.00</b>

WITHOUT PAN CONSOILDATION				
Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	14775	97.27	20313740.00	8.31
5001 To 10,000	248	1.63	2040310.00	0.83
10001 To 20,000	86	0.57	1271690.00	0.52
20001 To 30,000	18	0.12	465160.00	0.19
30001 To 40,000	10	0.07	369130.00	0.15
40001 To 50,000	13	0.09	625440.00	0.26
50001 To 1,00,000	8	0.05	636610.00	0.26
1,00,000 and Above	32	0.21	218707070.00	89.48
<b>Total</b>	<b>15190</b>	<b>100.00</b>	<b>244429150.00</b>	<b>100.00</b>

- n) **commodity price risk or foreign exchange risk and hedging activities;**  
 Not applicable

**o) Plant locations**

**Corporate Identity Number :** L74899DL1987PLC027050

**Address for Correspondence:** Ritesh Properties and Industries Limited, Secretarial Department, 11/5B, 1st Floor, Pusa Road, New Delhi, Phone Nos. 011-25862110, Mob. No. +91-9212359076, Fax No. 011-25862111

**Plant location:** Hampton Court Business Park, NH-05, Ludhiana – Chandigarh Road, Ludhiana, 141123(Punjab)

- p) **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2022. Accordingly, credit rating is not required.

**11. Other Disclosures**

- a) The Company does not have any materially significant related party transactions, which may have potential conflict with the interest of the Company at large. Further, the statutory disclosure requirements relating to related party transactions have been complied in the Financial Statements.
- b) The Financial Statements have been made in accordance with the Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.
- c) There is no case of non-compliance of any statutory compliance for the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges i.e., BSE or Securities and Exchange Board of India or any other statutory authority on any matter related to the capital market, during the last 3 Financial years.
- d) The Company has in place Vigil Mechanism/Whistle Blower Policy as required and it is affirmed that no personnel has been denied access to the Audit Committee.
- e) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Regulation 34(3) of the Listing Regulations read with Schedule V of the Listing Regulations: The Company has complied with all the mandatory requirements of the Listing Regulations.
- f) The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II of Regulation 27(1) of the Listing Regulations and are being reviewed from time to time which are as follows:

**a. Audit Qualifications:**

During the year under review, there is no audit qualification in your Company's Financial Statements nor has there been a matter of emphasis made during the year. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

**b. The Board and separate posts of the Chairperson and the Chief Executive Officer:**

During the year under review, the Managing Director of the Company has been appointed as the designated Chairperson of the Board.

**c. Reporting of Internal Auditor:**

The internal control systems of the Company are routinely tested and verified by the Internal Auditors and significant audit observations and follow-up actions are reported to the Audit Committee.

**d. Shareholder's Right:**

The quarterly results of the Company are published in English newspaper (generally the Business Standard) (English & Hindi) having wide circulation in New Delhi. Further, the quarterly and half yearly results are also posted on the website of the Company at <https://www.riteshindustries.us>

**(e) daalo yaha par)**

f) In addition to Directors' Report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All key managerial personnel and senior management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

g) All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

- h) In order to prevent misuse of any unpublished price sensitive information (UPSI), maintain confidentiality of all UPSI and prohibit any insider trading activity and abusive self-dealing of securities, in the interest of the shareholders at large, the Company has framed a Code of Conduct for Prohibition of Insider Trading. The said Code prohibits the Designated Persons of the Company from dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The details of dealing in Company's shares by Designated Employees/Designated Persons are quarterly placed before the Audit Committee. The Code also prescribes sanction framework and any instance of breach of code is dealt in accordance with the same. A copy of the said Code is made available to all employees of the Company and compliance of the same is ensured.

Further the Company has framed a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is available on the website of the Company at [www.riteshindustries.us](http://www.riteshindustries.us).

- i) The policy of for determining 'material' subsidiaries can be accessed at <https://riteshindustries.us/pdf/Policy%20on%20Material%20Subsidiary.pdf> and the policy on dealing with related party transactions can be accessed at <https://riteshindustries.us/Related-Party-Transaction-Policy.pdf>
- j) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) are not applicable during the financial year 2021-22.
- k) Certificate from M/s MZ & Associates, Company Secretaries, is attached herewith, which forms part of this report, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
- l) During the financial year 2021-22, all the recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board of Directors.
- m) The Company has paid an amount of Rs. 350000/- as a total fee for all services paid including its subsidiaries on a consolidated basis to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.
- n) Disclosure of commodity price risks and commodity hedging

- activities: Not Applicable
- o) The Company is committed to provide an attractive working environment for its employees and to provide safe and healthy working conditions. The Company has also adopted a 'Anti- Sexual Harassment Policy' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules made thereunder. Details of Complaints received and redressed during the Financial Year 2021-22:
- number of complaints filed during the financial year: Nil
  - number of complaints disposed of during the financial year: Nil
  - number of complaints pending as on end of the financial year: Nil
12. The Company has complied with the applicable requirement specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
13. Pursuant to Regulation 17 of the Listing Regulations, the Company has adopted a Code of Conduct for Directors and Senior Management Personnel and the same has been posted on the Company's website. Pursuant to Regulation 26(3) of the Listing Regulations, the Directors and the Senior Management Personnel affirm the Compliance of the Code annually. A certificate to this effect is attached to this Report duly signed by the Whole-time Director cum Chief Finance Officer is a part of this report.
14. The certificate from the MZ & Associates, Company Secretaries regarding compliance of conditions of corporate governance is annexed with the Corporate Governance Report and forms an integral part of the Annual Report.
15. Your Company has adopted a "Code of Internal Procedure and Conduct for Regulating, Monitoring and Reporting of Trading in Securities by Designated Persons" as required under Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company formulated a Code of Conduct to Regulate, Monitor, and Report Trading by Designated persons to deter the Insider trading in the securities of the Company based on the unpublished price sensitive information
- SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from April 01, 2019 and subsequently amendments pursuant to the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 were made effective from December 26, 2019.
- SEBI, vide its Notification No. SEBI/LAD-NRO/GN/2020/23 dated July 17, 2020, introduced the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2020, which inter-alia provided that the Code shall specify that in case it is observed by the Company, that there has been a violation of the SEBI PIT Regulations, it shall promptly inform the stock exchange(s) where the concerned securities are traded, in such form and such manner as may be specified by SEBI from time to time.

Previously, any such violation was required to be reported to the SEBI. SEBI vide its Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020, had prescribed the revised standard format for reporting of violations related to the Code.

In view of the aforesaid amendments to the SEBI PIT Regulations, necessary changes have been made in the existing Insider Trading Code of the Company.

During the year, under review there has been due compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**16. Disclosures with respect to demat suspense account/unclaimed suspense account**

There are no shares in the demat suspense account/unclaimed suspense account, therefore this clause is not applicable.

**17. Secretarial Certificates**

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates on half- yearly basis, have been issued by a Company Secretary in-Practice certifying that all certificates have been issued within thirty days of date of lodgement for transfer, sub-division, consolidation, renewal and exchange etc
- A Company Secretary in-Practice carries out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialized form held with Depositories

**18. Compliance Certificate**

The Whole-time Director cum Chief Financial Officer (CFO) give annual certifications on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations.

**19. Compliance of the provisions of Regulation 26(6) of the Listing Regulations:**

None of the Key Managerial Personnel, Director(s) and Promoter(s) of the Company has entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company

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

**Sd/-**

**(Sanjeev Arora)**

**Chairman-Cum-Managing Director**

**DIN: 00077748**

**Dated: 06th September, 2022**

**Place: Gurgaon**

**Annexure-IX**  
**Declaration under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

I, Sanjeev Arora, Chairman-Cum-Managing Director of the Company hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct as on 31st March, 2022, pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**By Order of the Board of Directors**  
**For Ritesh Properties and Industries Limited**  
**Sd/-**  
**(Sanjeev Arora)**  
**Chairman-Cum-Managing Director**  
**DIN: 00077748**

**Dated: 06th September, 2022**  
**Place: New Delhi**

**Annexure-X**  
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
Ritesh Properties And Industries Limited  
11/5B, Pusa Road,  
New Delhi, 110060 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ritesh Properties and Industries Limited having CIN L74899DL1987PLC027050 and having registered office at 11/5b, Pusa Road, New Delhi 110060, (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority/ies.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Sanjeev Arora	00077748	25/10/2004
2.	Mr. Roop Kishore Fatehpuria	00887774	04/09/2006
3.	Mr. Surendar Kumar Sood	01091404	14/07/2005
4.	Mr. Kavya Arora	02794500	31/10/2011
5.	Mr. Gurpreet Singh Brar	06597336	15/05/2013
6.	Ms. Shweta Sehgal	06970433	25/09/2014
7.	Mr. Deva Pampapathi Reddy	01939650	23/10/2019
8.	Mr. Hemant Sood*	02446952	14/10/2021

\*Ceased from the position of Director w.e.f 9th May, 2022.

Ensuring the eligibility of for the continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MZ & Associates**  
**Company Secretaries**  
**Sd/-**  
**CS Mohd Zafar**  
**Partner**  
**FCS 9184**  
**CP: 13875**  
**UDIN: F009184D000431232**

**Date: 30th May, 2022**  
**Place: New Delhi**

**Annexure-XI****COMPLIANCE CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE****To****The Members****RITESH INDUSTRIES AND PROPERTIES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by Ritesh Properties and Industries Limited ("the Company"), for the year ended on 31st March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the financial year ended 31st March, 2022.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on our review and to the best of our information and according to the explanations given to us, we certify that the conditions of the Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
4. 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 MZ & Associates**  
**Company Secretaries**

**CS Mohd. Zafar**  
**Partner**  
**Membership No: FCS 9184**  
**CP No 13875**  
**UDIN: F009184B000928861**

**Place: Gurgaon****Date: 06th September, 2022**

## Annexure- XII

### Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

#### Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Name of the subsidiary: Finton Homes (a partnership firm)
2. The date since when subsidiary was acquired: Stake in Finton Homes was increased w.e.f. 25th August, 2021 pursuant to the scheme of arrangement duly approved by the Hon'ble National Company Law Tribunal, New Delhi Bench, order dated 25th August, 2021.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: Not applicable
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: Not applicable
5. Share capital/ Partners capital contribution: Rs. 977,274,777/- (Partners capital contribution)
6. Reserves and surplus: Nil
7. Total assets: Rs. 1,150,853,644/-
8. Total Liabilities: Rs. 173,578,868/-
9. Investments: Nil
10. Turnover: Rs 693,487,452/-
11. Profit before taxation: Rs. 355,294,947/-
12. Provision for taxation: Rs. (16,018,606)/-
13. Profit after taxation: Rs. 371,313,554/-
14. Proposed Dividend: Nil
15. Extent of shareholding (in percentage): 55% shares in capital contribution

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil



# Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Name of Associates or Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	Not Applicable		
2. Date on which the Associate or Joint Venture was associated or acquired			
3. Shares of Associate or Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates or Joint Venture			
Extent of Holding (in percentage)			
4. Description of how there is significant influence			
5. Reason why the associate/Joint venture is not consolidated.			
6. Net worth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations. **Not applicable**
- Names of associates or joint ventures which have been liquidated or sold during the year. **Not applicable**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Ritesh Properties and Industries Limited**

### Report on the Audit of the Standalone Financial Statements

#### 1. Opinion

We have audited the accompanying Standalone Financial Statements of **Ritesh Properties and Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Evaluation of Provision and Contingent Liabilities:	Our Audit procedure included:
	<p>As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 37. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p> <p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>Due to the inherent complexity and level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered a key audit matter.</p>	<ul style="list-style-type: none"> <li>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</li> <li>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied.</li> </ul> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> <li>the details of the proceedings before the relevant authorities including communication from the advocates / experts;</li> <li>legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;</li> <li>status of each of the material matters as on the date of the balance sheet.</li> <li>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the Standalone Financial Statements.</li> </ul>

#### 4. Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, Management Discussion and Analysis, Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. The other information comprising the above documents is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 5. Responsibilities of Management's for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### 6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

- As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations

given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 35 to the Standalone Financial Statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses– Refer Note 35 to the Standalone Financial Statements;
- iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declare or paid any dividend during the year.

**For Khandelwal Jain & Co.,**  
**Firm Registration No. 105049W**  
**Chartered Accountants**

**Manish Kumar Singhal**  
**Partner**  
**Membership No. 502570**  
**UDIN: 22502570AJXIUL3392**

**Place: New Delhi**  
**Dated: 30/05/2022**

## Annexure - A to the Independent Auditors' Report on the Standalone Financial Statements

Annexure referred to in paragraph 7 (1) of the Independent Auditors' Report of even date to the members of Ritesh Properties and Industries Limited on the Standalone Financial Statements for the year ended 31st March 2022, we report that::

- I. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situations of its Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given by the management, the title deeds of all the immovable properties were held in the name of the Company. Further, the lease agreements where the Company is a lessee were duly executed in favour of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- II. (a) As per the information furnished, the management at reasonable intervals during the period has physically verified the Inventories. In our opinion, having regard to the nature and location of stocks, the frequency of physical verification is reasonable. No discrepancies were noticed on verification between the physical inventory and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) During the year, the Company has not sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, from banks or financial institutions on the basis of security of current assets.
- III. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which
  - a) The Company has provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year
    - A) During the year, the Company has not granted loans to subsidiaries, joint ventures and associates, during the year.
    - B) During the year, the Company has granted loans of

Rs. 483.40 Lakhs to parties other than subsidiaries and associates, and balance outstanding at the balance sheet date is Rs. 1682.20 Lakhs.

- b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date to its whole time director.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no loan granted by the Company has fallen due during the year, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f) The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment are given below:

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	1682.20	960.45	69.82
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	1682.20	960.45	69.82
Percentage of loans / advances in nature of loans to the total loans	100%	57.09	4.15

- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- V. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- VI. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.

- VII. (a) According to the information and explanations given to us and records examined by us, in our opinion the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues which has not been deposited on account of disputes and the forum where the dispute is pending as under.

Sl. No.	Name of the Statute	Nature of Dues	Year	Amount	Forum where Dispute is pending
1	Income tax Act, 1961	Income Tax	2012-13, 2014-15 and 2017-18	8,79,94,788	CIT(A), New Delhi
2	Income tax Act, 1961	Income Tax	2009-10 and 2011-12	12,71,038	AO, New Delhi

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- IX. (a) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained..
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- X. (a) Based on our examinations of the records and

information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) during the year by the Company and hence reporting on clause 3(x)(a) of the Order is not applicable.

- (b) During the year, the Company has made preferential allotment of optionally fully convertible debentures and complied with the requirements of section 42 and section 62 of the Companies Act, 2013 except requirements of sub-para 2 of para 163 of Part III of chapter V of the ICDR Regulations. The Company has utilized the monies raised on optionally fully convertible debentures during the year for the purposes for which they were raised.
- XI. (a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. (a) In our opinion and based on our examination, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- XV. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with him and hence provision of clause 3(xv) are not applicable to the company.
- XVI. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provision of clause 3(xvi) (a), (b) and (c) is not applicable to the company.
- (d) According to the information and explanation given to us and based on our examination of the records of the Company, there are no Core Investment Companies (CIC) in the group.
- XVII. The Company has not incurred cash losses during the financial year covered by our audit and the immediately

preceding financial year.

XVIII. There has been no resignation of the statutory auditors of the Company during the year.

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- XX. a) In respect of other than ongoing projects, as informed by the management of the Company, the Company will transfer the unspent amounts towards Corporate Social Responsibility ("CSR") to a Fund specified in Schedule VII of the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. This matter had been duly disclosed in the notes to the financial statements. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.
- b) As informed by the management of the Company, the Company do not have any ongoing CSR project during the year under review, therefore, no unspent CSR amounts is required to be transferred to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

**For Khandelwal Jain & Co.**  
**Firm Registration No. 105049W**  
**Chartered Accountants**

**Manish Kumar Singhal**  
**Partner**  
**Membership No. 502570**  
**UDIN: 22502570AJXIUL3392**

**Place: New Delhi**  
**Dated: 30/05/2022**

## **Annexure – B to the Independent Auditors'**

### **Report on the Standalone Financial Statements**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of

#### **Ritesh Properties and Industries Limited**

We have audited the internal financial controls over financial reporting of **Ritesh Properties and Industries Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including

the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Khandelwal Jain & Co.**

**Firm Registration No. 105049W**

**Chartered Accountants**

**Manish Kumar Singhal**

**Partner**

**Membership No. 502570**

**UDIN: 22502570AJXIU3392**

**Place: New Delhi**

**Dated: 30/05/2022**



# Standalone Balance Sheet as at 31st March' 2022

(Amt. in Lakhs)

Particulars	Note No.	31st March 2022	31st March, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	4	369.69	478.94
(b) Financial Assets			
(i) Investments	5	6,330.56	5,026.82
(ii) Others	6	27.64	21.98
(c) Deferred Tax Assets (Net)	7	10.09	7.76
<b>Total Non-Current Assets</b>		<b>6,737.98</b>	<b>5,535.50</b>
<b>Current Assets</b>			
(a) Inventories	8	838.92	844.41
(b) Financial Assets			
(i) Investments	9	6.22	1.61
(ii) Trade Receivables	10	1,722.36	1,195.88
(iii) Cash and Cash Equivalents	11	26.63	294.71
(iv) Loans	12	1,682.20	2,832.65
(c) Current Tax Assets (Net)	13	40.94	40.62
(d) Other Current Assets	14	1,615.99	94.90
<b>Total Current Assets</b>		<b>5,933.26</b>	<b>5,304.78</b>
<b>Total Assets</b>		<b>12,671.24</b>	<b>10,840.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	2,444.29	2,235.64
(b) Other Equity	16	8,597.78	5,991.06
<b>Total Equity</b>		<b>11,042.07</b>	<b>8,226.70</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	740.03	77.42
(ii) Others	18	89.44	81.72
(b) Provisions	19	14.29	10.82
<b>Total Non-Current Liabilities</b>		<b>843.76</b>	<b>169.96</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	394.22	391.58
(ii) Trade Payables	21	-	-
(A) total outstanding dues of micro enterprises and small enterprises ; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		39.80	1,384.19
(iii) Others	22	86.06	114.47
(b) Current Tax Liability (Net)	23	123.01	229.72
(c) Other Current Liabilities	24	87.67	284.83
(d) Provisions	25	54.65	38.83
<b>Total Current Liabilities</b>		<b>785.41</b>	<b>2,443.62</b>
<b>Total Equity and Liabilities</b>		<b>12,671.24</b>	<b>10,840.28</b>
Summary of Significant accounting policies and other notes to Financial Statements	1 to 65		

The accompanying explanatory notes form an integral part of these financial statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

(Sanjeev Arora)  
Chairman Cum Managing Director  
DIN:00077748

(Kavya Arora)  
Executive Director & Whole Time Director  
DIN:02794500

Manish Kumar Singhal  
Partner  
Membership No. 502570

(Deepak Sharma)  
Chief Financial Officer

(Tarandeep Kaur)  
Company Secretary  
(ACS42144)

Place: New Delhi  
Date: 30/05/2022

## Standalone Statement of Profit and Loss for the year ended 31st March '2022

(Amount in lakhs)

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	<b>INCOME</b>			
I	Revenue from operations	26	13,617.47	11,732.63
II	Other Income	27	1,240.08	875.34
III	<b>Total Income (I+II)</b>		<b>14,857.55</b>	<b>12,607.97</b>
	<b>EXPENSE</b>			
IV	Cost Recognised			
	Purchase of Stock-in-Trade	28	11,379.09	8,328.78
	Changes In Inventories of Stock-In-Trade	29	92.01	751.26
	Employee Benefits Expense	30	259.70	239.28
	Finance Costs	31	106.04	44.85
	Depreciation and amortization expenses	4	46.58	47.01
	Other Expenses	32	475.44	533.67
	<b>Total Expenses (IV)</b>		<b>12,358.86</b>	<b>9,944.85</b>
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>2,498.69</b>	<b>2,663.12</b>
VI	<b>Exceptional Items</b>		-	-
VII	<b>Profit / (loss) before tax (V-VI)</b>		<b>2,498.69</b>	<b>2,663.12</b>
VIII	<b>Tax expense</b>			
	(1) Current Tax		121.85	231.32
	(2) Deferred Tax & MAT Credit		(2.26)	198.81
	(3) Income Tax Paid (Earlier Year)		-	2.62
IX	<b>Profit / (Loss) for the year (VII-VIII)</b>		<b>2,379.10</b>	<b>2,230.37</b>
X	Profit / (Loss) from discontinued operations		-	-
XI	Tax Expenses of discontinued operations		-	-
XII	<b>Profit / (Loss) from discontinued operations (After Tax) (X-XI)</b>			
XIII	<b>Profit / (Loss) for the year (IX+XII)</b>		<b>2,379.10</b>	<b>2,230.37</b>
X	<b>Other Comprehensive Income ('OCI')</b>			
	(A) Items that will not be reclassified to profit or loss			
	Re-measurement gains/(loss) on defined benefits plans		0.30	(22.50)
	Tax Impact on above Item		0.08	5.66
	Gain/(Loss) as Equity Instruments through OCI		4.62	(5.78)
	Tax Impact on above Item		(1.16)	1.46
	<b>Other Comprehensive Income (OCI) (After Tax)</b>		<b>3.83</b>	<b>(21.16)</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>2,382.93</b>	<b>2,209.20</b>
	<b>Earnings per equity share (In Rs.)</b>			
	Basic EPS	33	15.18	19.24
	Diluted EPS		13.08	19.24
	Summary of Significant accounting policies and other notes to Financial Statements	1 to 65		

The accompanying explanatory notes form an integral part of these financial statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

(Sanjeev Arora)  
Chairman Cum Managing Director  
DIN:00077748

(Kavya Arora)  
Executive Director & Whole Time Director  
DIN:02794500

Manish Kumar Singhal  
Partner  
Membership No. 502570

(Deepak Sharma)  
Chief Financial Officer

(Tarandeep Kaur)  
Company Secretary  
(ACS42144)

Place: New Delhi  
Date: 30/05/2022

## Statement of Cash Flow for the period ended 31st March '2022

(Amount in lakhs.)

Particulars		For the period ended 31st March, 2022		For the year ended 31st March, 2021
<b>Cash Flow from Operating Activities</b>				
Net profit / (loss) before tax		2,502.52		2,641.96
<b>Adjustment for :</b>				
Depreciation and Amortisation	46.58		47.01	
Finance Cost	106.65			
Interest Income	(35.16)		44.91	
Loss/(Profit) on Sale of PPE	76.82		(38.28)	
		194.89	(1.55)	52.09
<b>Operating cash flow before changes in working capital</b>		<b>2,697.41</b>		<b>2,694.05</b>
Changes in Working Capital:				
Trade & Other Receivables	(902.06)		(253.32)	
Inventories	5.49		1,180.71	
Trade Payables & Other Current Liabilities	(1,658.20)		798.10	
		(2,554.77)		1,725.49
<b>Net cash generated from operations before tax</b>		<b>142.64</b>		<b>4,419.54</b>
Taxation		121.93		239.60
<b>Net Cash from/(used) in Operating Activities (A)</b>		<b>20.72</b>		<b>4,179.94</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Investments	(1,303.74)		(3,859.04)	
(Increase)/Decrease in Fixed Deposits (having original maturity of more than 3 months)	(5.66)		(0.46)	
Purchase/Sale of Property, Plant and Equipment	(14.14)		3.22	
Interest Received (net)	35.16		38.28	
		(1,288.38)		(3,819.02)
<b>Net Cash used in Investing Activities (B)</b>		<b>(1,288.38)</b>		<b>(3,819.02)</b>
Share Issued	355.31		-	
Proceeds/(Repayment) of Term Loan	673.80		(37.52)	
Equity Component of Debenture	77.13		-	
Finance Cost	(106.65)		(44.91)	
		999.60		(82.44)
<b>Net Cash generated from Financing Activities (C)</b>		<b>999.60</b>		<b>(82.44)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents during the Year (A+B+C)</b>		<b>(268.07)</b>		278.48
Add: Cash & Cash Equivalents as at beginning of the Year		294.71		16.23
<b>Cash &amp; Cash Equivalents as at the end of the Year (note no.11)</b>		<b>26.64</b>		<b>294.71</b>

Notes:

1. The above Statement of Cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2. Figures in brackets represents cash outflows.

3. Components of cash and cash equivalents :-

Particulars		As at 31st March, 2022		As at 31st March, 2021
Cash on hand		23.60		15.30
Balances with scheduled Banks				
- In Current Accounts		3.03		279.41
- In Fixed Deposits 0-3 months		-		-
<b>Cash &amp; Cash Equivalents</b>		<b>26.63</b>		<b>294.71</b>
Summary of Significant accounting policies and other notes to Financial Statements	1 to 49			

The accompanying explanatory notes form an integral part of these financial statements

**As per our report of even date**

**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No. 105049W**

**(Sanjeev Arora)**  
Chairman Cum Managing Director  
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Chief Financial Officer

**(Tarandeep Kaur)**  
Company Secretary  
(ACS42144)

Place: New Delhi  
Date: 30/05/2022

## Statement of Changes in Equity for the year ended 31st March'2022

### (A) Equity Share Capital

(Amount in lakhs Except no. of Shares)

Particulars	No. of Shares As at March 31, 2022	Amount As at March 31, 2022	No. of Shares As at March 31, 2021	Amount As at March 31, 2021
Balance at the beginning of the year	22,356,369	223,563,690	22,356,369	223,563,690
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current period	22,356,369	223,563,690	22,356,369	223,563,690
Changes in equity share capital during the Year	2,086,546	20,865,460	-	-
Balance at the end of the year	24,442,915	244,429,150	22,356,369	223,563,690

### B. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	Capital Reserve	Equity Component of Debenture	Revaluation Reserve	Change in Fair Value of Equity Instruments through OCI	
As at April 1, 2020	1,560.58	(736.02)	2,846.63		110.67	-	3,781.86
Profit/(Loss) for the year	-	2,230.37	-			-	2,230.37
Other Comprehensive Income/ (Loss) for the year	-	(16.84)	-		-	(4.33)	(21.16)
Total Comprehensive Income/(Loss) for the year	1,560.58	1,477.50	2,846.63		110.67	(4.33)	5,991.06
Issued during the year	-	-	-			-	-
Any other change (to be specified)							-
As at 31st March 2021	1,560.58	1,477.50	2,846.63		110.67	(4.33)	5,991.06
Profit/(Loss) for the year	-	2,379.10	-		-	-	2,379.10
Other Comprehensive Income/ (Loss) for the year		0.38				3.45	3.83
Total Comprehensive Income/(Loss) for the year	1,560.58	3,856.98	2,846.63		110.67	(0.87)	8,373.99
Issued during the year	146.66		-	77.13	-	-	223.79
Changes in accounting policy or prior period errors	-	-	-		-	-	-
As at Mar 31, 2022	1,707.24	3,856.98	2,846.63	77.13	110.67	(0.87)	8,597.78
Summary of Significant accounting policies and other notes to Financial Statements							

The accompanying explanatory notes form an integral part of these financial statements

As per our report of even date

For Khandelwal Jain & Co.  
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Place: New Delhi  
Date: 30/05/2022

## NOTES Continue.....

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31STMARCH, 2022

#### 1. Company Overview

Ritesh Properties & Industries Ltd (the company) is engaged in the business of Real Estate Business, Textiles, trading in Shares and Derivatives. The company is a public limited company incorporated and domiciled in India and has its registered office at 11/5B, Pusa Road, New Delhi – 110060. Shares of the company are listed on Bombay Stock Exchange, Mumbai, India.

Pursuant to Scheme of Amalgamation (Scheme) of Ritesh Spinning Mills Limited, Ritesh Impex Private Limited and H. B. Fibres Limited with the company under section 230 to 232 of the Companies Act, 2013 sanctioned by National Company Law Tribunal, New Delhi Bench on 16th August, 2021 all assets and liabilities are transferred and vested in the company with appointed date of 1st April, 2018.

#### 2. Recent Pronouncements

- (i) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022 in Ind AS 103, Ind AS 16, Ind AS 37, Ind AS 109 and Ind AS 106. The Company does not expect the amendment to have any significant impact in its financial statements.

#### 3. Significant Accounting Policies

##### a. Compliance with IND AS

The financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements. The preparation of the said financial statements requires the use of certain critical accounting estimates and judgments. It also requires the management to exercise judgment in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgment or complexity, are disclosed in Note 35.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Further, for the purpose of clarity, various items are

aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required. All the amounts included in the financial statements are reported in Indian Rupees ('Rupees') and are rounded to the nearest rupees except per share data and unless stated otherwise.

##### b. Historical Cost Convention

The Financial Statements have been prepared under the historical cost convention on accrual basis except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value for the followings:

- i. Certain financial assets and liabilities and contingent consideration which are measured at fair values.
- ii. Assets held for sale measured at fair value less cost to sell.
- iii. Defined benefit plan assets measured at fair value.

Historical Cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### c. Use of Estimates and Judgments

The preparation of financial statements in conformity with the recognition and measurement principles of IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements. Further future periods are also affected.

##### d. Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading, or
- iii. Expected to be realized within twelve months after the reporting period other than for (a) above, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading

## NOTES Continue.....

- iii. It is due to be settled within twelve months after the reporting period other than for (a) above, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

### e. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

#### • Level 1 — Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

#### • Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability.
- d) Market – corroborated inputs.

#### • Level 3

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

### f. Property, Plant and Equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Property, Plant and Equipment are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT/GST) and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes

professional fees and borrowing costs for qualifying assets.

Property, Plant, Equipment and Intangible Assets are not depreciated or amortized once classified as held for sale.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided for on straight line method on the basis of useful life. On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the primary period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The useful life of property, plant and equipment are as follows:-

Asset Class	Useful Life
Building	45 Years
Plant & Machinery	10 Years
Furniture & Fixture	10 Years
Computers and Office Equipment	03 Years
Vehicles	08 Years

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### g. Intangible Assets

All expenditure on intangible items is expensed as incurred unless it qualifies as intangible assets. The carrying value of intangible assets is assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of Profit & Loss.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets are amortized on straight line basis over a period ranging between 2-5 years which equates its economic useful life.

The company has not purchased or self-created any intangible

## NOTES Continue.....

assets hence no intangible assets is recognized. The Intangible assets shall be recognized as per IND AS 38, on purchase of intangible assets or self-created if, and only if it is probable that the future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

### h. Inventories

- (a) Inventory of Land and construction/development are valued at cost or net realizable value, whichever is lower. Cost of land purchased/acquired by the company include purchase/acquisition price plus stamp duty and registration charges etc. Construction/development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land /construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

- (b) Inventory of Shares and Derivatives is determined at Cost or net realizable value whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale and certified by the Management.

### i. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### j. Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprises of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in values. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

### k. Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of other entity. The financial instruments are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial instruments at initial recognition.

#### i) Financial Assets

##### Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity: -

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

##### Debt instruments at amortized cost: -

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a. Financial assets are held within a business model whose objective is to hold these assets to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

##### Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Debt instrument at FVTPL:

Any debt instrument, that does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

##### Equity investments (Other than investment in subsidiary)



## NOTES Continue.....

All other equity investments are measured at fair value. For Equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### De-recognition of financial assets:

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### Impairment of financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix considers historical credit loss experience and is adjusted for forward looking information. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

## ii) Equity Instruments and Financial Liabilities:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

### Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

## iii) Financial liabilities:

### Initial Recognition:

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

### Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

### Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

### Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### De-recognition of financial liabilities:

Financial liabilities are de-recognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gains/ (losses).

## I. Provisions, Contingent Liabilities and contingent Asset

## NOTES Continue.....

- i) A provision is recognized when the company has a present obligation because of past events and it is probable that an outflow of resource will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the balance sheet date. When appropriate, the time value of money is material, provision is discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.
- ii) Contingent Liability are disclosed in respect of possible obligation that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent liability also arises, in rare cases, where a liability cannot be recognized because it cannot be measured reliably. Contingent Liability is disclosed in the financial statements by way of note to accounts where the possibility of an outflow of resources embodying economic benefits is remote. (Refer Note-37)
- iii) Contingent asset is disclosed in the financial statements by way of note to accounts where the economic benefits are probable.

### m. Income tax (IND-AS 12):

Income tax comprises of current and deferred income tax. Income tax is recognized as an expense or income in the Statement of Profit and Loss.

#### Current income tax:

Current income tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

#### Deferred Tax:

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognized for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Such assets are reviewed at each Balance Sheet date to reassess realization, deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

### n. Revenue Recognition:

The Company recognizes revenue in accordance with INDAS 115. Revenue is recognized upon transfer of control of promised products or services to the customers in an amount that reflects the consideration that the company expects to receive in exchange of those products or services. The company presents revenues net of indirect taxes in its statement of Profit and Loss.

#### i) Revenue from Real Estate

Revenue from constructed properties is recognized in accordance with the "Guidance Note on Accounting for Real Estate Transactions" ("Guidance Note"). As per this Guidance Note, the revenue has been recognized on percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost, provided the conditions specified in Guidance Note are satisfied.

Revenue from sale of land and plots is recognized in financial year in which agreement to sell / application form is executed and there exist no uncertainty in the ultimate collection of consideration from buyer. In case there is remaining substantial obligation as per agreement to sell the revenue is recognized as per percentage of completion method.

Revenue from Common Area Maintenance Charges is recognized on accrual basis and in accordance with the respective agreement.

#### ii) Revenue from Textile Business

Revenue from the textile business during ordinary activities is measured at the fair value of consideration received or receivable, net of returns, trade discount and volume rebate. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

#### iii) Revenue from Trading of Shares

Revenue from the trading of share business during ordinary activities is measured at the fair value of consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

### o. Other Income:

#### i) Dividend Income

Dividend income is recognized in profit or loss on the date on which the entity's right to receive payment is established.

#### ii) Interest Income

Interest income is recognized using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payment or receipt through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset, or

## NOTES Continue.....

- The amortized cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### p. Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period to get ready for their intended use are capitalized as part of the cost of that asset.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

### q. Leases

#### As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the

recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### r. Employee Benefit Expense

#### Short term employee benefits:-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Long-Term employee benefits

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date

## NOTES Continue.....

### Post-employment obligations

#### i. Defined contribution plans

##### Provident Fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

#### ii. Defined Benefits Gratuity plan

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Indian Accounting Standard 19 (revised), "Employee Benefits". The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Defined retirement benefit plans comprising of gratuity, un-availed leave, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The company has policy of expiry of un-availed leave at end of the financial year, hence no provision is required for leave encashment.

#### iii. Actuarial gains and losses are recognized in OCI as and when incurred.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic

benefits available in the form of reductions in future contributions to the plans.

#### Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

#### s. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### t. Segment Reporting

Operating segments are reported in a manner consistent with the internal financial reporting provided to the Chief Operating Decision Maker (CODM) i.e. Board of Directors. CODM monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The primary reporting of the Company has been performed on the basis of business segments. The analysis of geographical segments is based on the areas in which the Company's products are sold or services are rendered.

#### Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### Unallocated items:

The Corporate and other segment include general corporate income and expense items, which are not allocated to any business segment.

#### u. Cash Flow Statement

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Company are segregated.

#### v. Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

### 4 PROPERTY, PLANT AND EQUIPMENT

(Amount in Lakhs)

Particulars	Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total
<b>As At March 31, 2020</b>	<b>207.38</b>	153.69	36.87	18.04	334.25	<b>750.23</b>
Additions				1.03		1.03
Disposal					22.28	22.28
<b>As At March 31, 2021</b>	<b>207.38</b>	<b>153.69</b>	<b>36.87</b>	<b>19.07</b>	<b>311.97</b>	<b>728.98</b>
Additions	69.95	22.15	-	8.76	97.67	198.53
Disposal	186.20	2.74	-	-	73.14	262.08
<b>As At March 31, 2022</b>	<b>91.14</b>	<b>173.10</b>	<b>36.87</b>	<b>27.83</b>	<b>336.50</b>	<b>665.43</b>
<b>Depreciation</b>						
As At March 31, 2020	10.12	42.11	29.56	14.71	127.12	<b>223.62</b>
Additions	0.91	7.99	0.45	0.86	36.80	47.01
Disposal	-	-	-	-	20.60	20.60
<b>Depreciation</b>						
As At March 31, 2021	<b>11.04</b>	<b>50.10</b>	<b>30.01</b>	<b>15.57</b>	<b>143.32</b>	<b>250.03</b>
Additions	0.42	11.38	0.41	1.82	31.84	45.86
Disposal	0.15	-	-	-	-	0.15
<b>As At March 31, 2022</b>	<b>11.30</b>	<b>61.48</b>	<b>30.42</b>	<b>17.39</b>	<b>175.16</b>	<b>295.74</b>
<b>Net Carrying Value</b>						
As At March 31, 2020	197.26	111.58	7.31	3.33	207.13	<b>526.61</b>
As At March 31, 2021	196.35	103.59	6.86	3.49	168.65	<b>478.94</b>
As At March 31, 2022	<b>79.83</b>	<b>111.62</b>	<b>6.45</b>	<b>10.44</b>	<b>161.34</b>	<b>369.69</b>

Notes :

#### Significant estimate: Useful life of tangible assets

The Company has estimated the useful life of the tangible assets based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than the life taken, depending on technical innovations and competitor actions.

### 5 Non-Current Financial Assets - Investments

(Amount in Lakhs, except no. of shares)

Particulars	As at 31st Mar, 2022	As at 31st March, 2021
<b>Investments - Unquoted</b>		
- Investment in Equity Instruments-Equity Shares	<b>1,108.95</b>	<b>1,947.43</b>
<b>Other Investments</b>		
- Investments in Partner ship Firm	<b>5,221.61</b>	<b>3,079.39</b>
<b>Total</b>	<b>6,330.56</b>	<b>5,026.82</b>
<i>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</i>		2,924.42

#### Non-Current Financial Assets - Investments

Particulars	Face Value per share	As at 31st Mar, 2022		As at March 31, 2021	
		No. of Shares	Amount	No. of Shares	Amount
<b>Financial assets measured at FVTOCI</b>					
Investment in equity instruments					
Unquoted Equity Shares					
Femella Fashions Ltd.	10	422,607	1,107.23	722,607	1,893.23
Kishan Chand & Co Oil Industries Ltd.	10	7,238	0.72	7,238	0.72
Vishal Udyog International Ltd.	100	1,000	1.00	1,000	1.00
Shivalik Securities Pvt. Ltd.	10	-	-	117,660	52.48
<b>Total Investment measured at FVTOCI</b>			<b>1,108.95</b>		<b>1,947.43</b>

## NOTES Continue.....

### Note:

(Amount in lakhs, Except no. of Shares)

Aggregate amount of quoted investment		
Aggregate market value of quoted investment		
Aggregate amount of unquoted investment	1,109	1,947
Aggregate amount of impairment in value of investments		

### Notes :-

During the financial year 2020-21 the Company has invested by way of transfer of Land (Inventory) for an agreed valuation of Rs.1850.97 Lacs in a Partnership Firm "M/s Finton Homes" as a Capital Contribution for an agreeate share of 55.00% in profits/ loss. The Company has increased the value of its investment by its share of Rs.1242.30 Lacs (55.00%) in the profits of the Finton Homes for the FY 2020-21 on the basis of provisional financial statements of Finton Homes for the FY 2020-21.[Pursuant to Scheme of Amalgamation of RSML, RIPL and HBFL Land of 6.22 arce at an agreed value of Rs.1249.41 Lacs as a Capital contribution for 37.12% of Shares]

### 6 Non-Current Financial Assets - Others

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
Fixed Deposits with Bank (Maturity more than 12 months)	2.82	2.82
Unsecured, considered good; Security Deposits	24.82	19.16
<b>Total</b>	<b>27.64</b>	<b>21.98</b>

\* Represents Rs. 2.82 Lacs (Previous year Rs.2.82 Lacs) as margin money against Bank Guarantee issued to Punjab Pollution Control Board for amounting Rs. 2 Lacs, to be read along with Note no 35

\*\* Security Deposits primarily include deposits given towards electricity, telecommunication and others.

### 7 Deferred Tax Assets (Net)

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>A. Deferred Tax Assets</b>		
Related to Unabsorbed Depreciation & Brought Forward Losses		-
Others	13.72	12.50
(A)	13.72	12.50
<b>B. Deferred Tax Liability</b>		
Related to Depreciation on Fixed Assets and Amortisation	3.63	4.74
(B)	3.63	4.74
<b>Net Deferred Tax Assets / (Liability) ( C ) = (A)-(B)</b>	<b>10.09</b>	<b>7.76</b>

### 8 Inventories

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Stock-in-Trade</b>		
Real Estate (Plot/ Land)	481.80	380.38
Shares	357.12	464.04
<b>Total</b>	<b>838.92</b>	<b>844.41</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>102.15</b>

\* During the financial year 2020-2021 the Company has transferred a piece of land of 9.92 acre situated at chandigarh Ludhiana Road, falling under the Revenue Estate of Village MundianKhurd, Tehsil, District Ludhiana, Punjab in favour of M/s Finton Homes, a partnership firm for an agreed value of Rs.1850.97 Lacs as a Capital Contribution for a 55.00% share in the profits/loss of the Finton Homes.[Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 32)Land of 6.22 arce at an agreed value of Rs.1249.41 Lacs as a Capital contribution for 37.12% of Shares]

\*Project Expenses of Rs. 99.51 Lacs (Previous year Rs. Nil) for Land Development Charges for Hampton Court project included in Stock of Real Estate.

## NOTES Continue.....

### 9 Current Financial Assets - Investments

(Amount in Lakhs)

Particulars	As at 31st Mar, 2022	As at March 31, 2021
<b>Trade Investments</b>		
Investments in Equity Instruments-Equity shares		
<b>Quoted</b>		
Master Trust Ltd.	1.42	0.52
Nahar Industrial Ent. Ltd	0.66	0.18
Nahar Ploy Films Ltd	2.36	0.47
Nahar Spinning Mills Ltd	1.68	0.34
R.S.Petro Products Ltd	0.10	0.10
<b>Total</b>	<b>6.22</b>	<b>1.61</b>

### Current Financial Assets - Investments

(Amount in Lakhs)

Particulars	Face Value per share	As at 31st Mar, 2022		As at March 31, 2021	
		No. of Shares	Amount	No. of Shares	Amount
<b>Financial assets measured at FVTOCI</b>					
Investment in equity instruments					
Quoted Equity Shares					
Master Trust Ltd.	10	1,100	1.42	1,100	0.52
Nahar Industrial Ent. Ltd	10	400	0.66	400	0.18
Nahar Ploy Films Ltd	10	420	2.36	420	0.47
Nahar Spinning Mills Ltd	10	330	1.68	330	0.34
R.S.Petro Products Ltd	10	500	0.10	500	0.10
<b>Total Investment measured at FVTOCI</b>		<b>2,750</b>	<b>6.22</b>	<b>111</b>	<b>1.61</b>

#### Note:

Aggregate Cost of quoted investment	1.03
Aggregate market value of quoted investment	6.22
Aggregate Cost of unquoted investment	-
Aggregate Cost of impairment in value of investments	-

\* Quoted Investments in Equity Shares have been valued as per the Closing Trading price (BSE) as on 31.03.2022 which are as under :

Name of the Company	Closing Trading price (BSE) as on 31.03.2022	Closing Trading price (BSE) as on 31.03.2021
Master Trust Ltd.	129.35	47.40
Nahar Industrial Ent. Ltd	165.00	44.20
Nahar Ploy Films Ltd	560.85	110.75
Nahar Spinning Mills Ltd	510.25	103.90
R.S.Petro Products Ltd	20.00	19.81

## NOTES Continue.....

### 10. Trade Receivables

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
Trade Receivables Undisputed - considered good	1,722.36	1,195.88
Trade Receivables Undisputed - considered Doubtful	-	-
Less: Allowance for expected credit loss	-	-
Trade Receivables Disputed - considered Good	-	-
Trade Receivables Disputed - considered Doubtful	-	-
Less: Allowance for expected credit loss	-	-
<b>Total</b>	<b>1,722.36</b>	<b>1,195.88</b>
<b>Break-up of security details</b>		
(i) Secured, considered good;	-	-
(ii) Unsecured, considered good;	1,722.36	1,195.88
(iii) Doubtful	-	-
	1,722.36	1,195.88
Less : Impairment allowance for trade receivables	-	-
<b>Total</b>	<b>1,722.36</b>	<b>1,195.88</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>816.63</b>

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

#### The movement in allowance for expected credit loss and credit impairment is as under:-

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Opening Balance</b>	-	-
Additions	-	-
Write Off (net of recovery)	-	-
<b>Closing balance</b>	-	-

#### As at 31st March 2022

Particulars	Undisputed - Good	Undisputed - Doubtful	Disputed - Good	Disputed - Doubtful
Less than 6 months	1,659.28	-	-	-
6months - 1 Year	-	-	-	-
1 - 2 Years	63.07	-	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
<b>TOTAL</b>	<b>1,722.36</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### As at 31st March 2021

Particulars	Undisputed - Good	Undisputed - Doubtful	Disputed - Good	Disputed - Doubtful
Less than 6 months	989.88	-	-	-
6months - 1 Year	9.08	-	-	-
1 - 2 Years	196.92	-	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
<b>TOTAL</b>	<b>1,195.88</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 11. Cash and Cash Equivalents ("C & CE")

Particulars	As at 31st March 2022	As at 31st March, 2021
Balances with banks-In current accounts	3.03	279.41
Cash in hand	23.60	15.30
<b>Total</b>	<b>26.63</b>	<b>294.71</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		
Balances with banks-In current accounts	-	270.90
Cash on hand	-	2.14



## NOTES Continue.....

### 12. Loans

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
Loans and Advances to Related Parties	1,030.25	2,012.18
Loans and Advances to Other Body Corporate	651.95	408.59
Loans and Advances to Others	-	411.88
	1,682.20	2,832.65
Less: Impairment allowance for Loan & Advance receivable	-	-
<b>Total</b>	<b>1,682.20</b>	<b>2,832.65</b>
<b>Sub-classification of Loans:</b>		
(i) Loans Receivables considered good - Secured;	-	-
(ii) Loans Receivables considered good - Unsecured;	1,682.20	2,832.65
(iii) Loans Receivables which have significant increase in Credit Risk; and	-	-
(iv) Loans Receivables - credit impaired	-	-
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>	<b>-</b>	<b>2,798.58</b>

### 13. Current Tax Assets (Net)

Particulars	As at 31st March 2022	As at 31st March, 2021
Income Tax Against Apeels (A.Y. 2017 -18)	10.00	10.00
Income Tax Refund Receivables (Earlier Years)	30.94	30.62
<b>Total</b>	<b>40.94</b>	<b>40.62</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>4.16</b>

### 14. Other Current Financial Assets

Particulars	As at 31st March 2022	As at 31st March, 2021
Prepaid Expenses	21.33	1.91
Advances to Suppliers	250.19	6.82
Fixed Deposits (With Maturity less than 12 months)	700.00	-
Balance with Government Authorities	65.44	45.61
Imprest A/c	0.30	-
Others	578.72	40.56
<b>Total</b>	<b>1,615.99</b>	<b>94.90</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>16.97</b>

\* Fixed Deposits Rs. 700.00 Lacs (Previous Year Rs. 0) pledged against Bank Overdraft Facility with Axis Bank Limited for Rs. 679.00 Lacs

### 15. Equity Share Capital

Particulars	As at 31st March 2022	As at 31st March, 2021
Authorised Share Capital*		
28,150,000 (Previous FY - 28,150,000) equity shares of Rs. 10/- each	2,815.00	2,815.00
Issued Share Capital		
2,46,10,465 (Previous FY - 11,758,508 ) equity shares of Rs. 10/- each	2,461.05	1,175.85
Subscribed and fully paid-up shares		
2,44,42,915 (Previous FY - 11,590,958) equity shares of Rs. 10/- each	2,444.29	1,159.10
Suspense Share Capital of Ritesh Spinning Mills Ltd. #		786.89
Suspense Share Capital of Ritesh Impex Pvt. Ltd. #		189.65
Suspense Share Capital of H B Fibre Ltd. #		140.00
Reduction in Share Capital due to purchase of shares	-	(40.00)
<b>Total</b>	<b>2,444.29</b>	<b>2,235.64</b>

## NOTES Continue.....

\* During the Previous Financial Year pursuant to amalgamation of RSML, RIPL and HBFL with the company, authorised share capital of Rs. 210.00 Lacs of Transferer Company 1 (Ritesh Spinning Mills Ltd.), Rs. 5.00 Lacs of Transferer Company 2 (Ritesh Impex Pvt. Ltd.) and Rs.500.00 Lacs of Transferer Company 3 (H B Fibre Ltd.) stand transferred as authorised share capital of the company. (Refer Note 34)

# During the previous financial year pursuant to amalgamation of RSML, RIPL and HBFL with the company, Suspense share capital of Rs. 833.33 Lacs after reduction of Rs.46.44 Lacs being share of the company owned by Transferee Company 1 (Ritesh Spinning Mills Ltd.), Rs. 189.64 Lacs of Transferer Company 2 (Ritesh Impex Pvt. Ltd.) and Rs.140.00 Lacs of Transferer Company 3 (H B Fibre Ltd.) to be allotted.

During the Year 12,22,145 Debentures converted into Equity shares of Rs 10/- each at a premium of Rs 12/- each.

### (a) Terms/rights attached to equity shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. Each Equity holder is eligible for dividend on pro-rata basis. The dividend, if any, declared by the Board is paid after obtaining shareholders' approval in ensuing AGM.

### (b)

Reconciliation of Equity Shares Outstanding at the beginning and at the end of year	31.03.2022	31.03.2021
Particulars		
Equity shares at the beginning of the year	11,590,958	11,590,958
Add: Shares Issued	12,851,957	-
Less: Shares Cancelled	-	-
<b>Equity shares at the end of the year</b>	<b>24,442,915</b>	<b>11,590,958</b>

\*Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL with the Company shares to be allotted will not be Considered.

\*Shares Issued during the year Construe Debentures Converted into Equity Shares.

### (c) Shareholders holding more than 5 percent of Equity Shares in the Company

Shareholder's Name	As at 31st March 2022 No. of share held	As at 31st March, 2021 No. of share held
Sh. Sanjeev Arora	7,893,978 32.30%	2,421,021 20.89%
Findoc Finvest Pvt Ltd	7,219,390 29.54%	- 0.00%
Sirsa Deposits and Advances Ltd	-	810,141 6.99%
Kavya Arora	-	1,131,334 9.76%
Ritesh Spinning Mills Ltd	-	864,401 9.76%

\*During the previous financial year Pursuant to Scheme of Amalgamation of RSML, RIPL and HBFL with the Company shares to be allotted will not be Considered.

### (d) Shareholding of Promoters

Promoter's Name	No. of Shares	% of Total Shares	%Change during the year
Sanjeev Arora	78,93,978	32.30	226.06
Kavya Arora	7,13,455	2.92	(36.95)
Sandhya Arora	4,04,288	1.65	(17.26)
Ketki Arora	2,86,893	1.17	(36.90)
Sanjeev Arora HUF	1,89,442	0.78	(36.99)
Guneet Arora	19,303	0.08	(35.66)
Aria Arora	4	-	100.00
Findoc Finvest Private Limited	72,19,390	29.54	100.00
Femelia Fashions Ltd.	8,07,760	3.30	106.31

## NOTES Continue.....

### 16. Other Equity

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
Securities Premium	1,707.24	1,560.58
Retained Earnings	3,856.98	1,477.50
Capital Reserve	2,846.63	2,846.63
Revaluation Reserve	110.67	110.67
Equity Component of Debenture	77.13	-
Other Comprehensive Income	(0.87)	(4.33)
<b>Total</b>	<b>8,597.78</b>	<b>5,991.06</b>

#### (i) Securities Premium

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Opening Balance</b>	1,560.58	1,560.58
Increase/(Decrease) during the year	146.66	-
<b>Closing Balance</b>	<b>1,707.24</b>	<b>1,560.58</b>

#### (ii) Retained Earnings

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Opening Balance</b>	1,477.50	(736.02)
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the year	-	-
Net profit/(loss) for the year	2,379.47	2,213.53
<b>Closing Balance</b>	<b>3,856.98</b>	<b>1,477.50</b>

#### (iii) Capital Reserves

Particulars	As at 31st March 2022	As at 31st March, 2021
Opening Balance	2,846.63	2,846.63
Increase/(Decrease) during the year	-	-
<i>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 32)</i>	-	-
<i>Gain on business purchase(GBP)</i>	-	-
<b>Closing Balance</b>	<b>2,846.63</b>	<b>2,846.63</b>
<i>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</i>		1,884.14

#### (iv) Revaluation Reserves

Particulars	As at 31st March 2022	As at 31st March, 2021
Opening Balance	110.67	110.67
Increase/(Decrease) during the year	-	-
<i>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 32)</i>	-	-
<b>Closing Balance</b>	<b>110.67</b>	<b>110.67</b>
<i>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</i>		110.67

#### (v) Equity Component of Debenture

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Opening Balance</b>	-	-
Increase/(Decrease) during the year	77.13	-
<b>Closing Balance</b>	<b>77.13</b>	-

## NOTES Continue.....

### (vi) Other Comprehensive Income

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Opening Balance</b>	(4.33)	-
Items of Other Comprehensive Income		
Remeasurement of Defined benefit plans (Including Tax Impact)		-
Change in value of Equity Instruments Designated through OCI	3.45	(4.33)
<b>Closing Balance</b>	<b>(0.87)</b>	<b>(4.33)</b>

### 17. Non-Current - Borrowings

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Secured</b>		-
Loan from Bank (Secured Against Vehicles)	92.60	77.42
Unsecured Optionally Convertible Debentures	647.43	-
<b>Total</b>	<b>740.03</b>	<b>77.42</b>

Vehicle Loan Rs.125.87 Lacs (P.Y.Rs. 77.42 Lacs) are secured by way of Hypothecation of respective Vehicle. These Loans are Repayable in equated Monthly Installments and shall be repayed by 2026, Interest Rate vary from 8.359.51%p.a.

During the year the company has issued 42 Lacs Unsecured Optionally Fully Convertible Debentures (OFCD) as issue price of Rs. 22/- each having face value of Rs.10/- each OFCD at a premium of Rs. 12/- each. At the option of the investor each OFCD can be converted into 1 equity share of the company. Applicable rate of interest is 0%. OFCD can be converted after 6 months.

Repayment Schedule	Amount
2022-23	33.27
2023-24	36.11
2024-25	30.92
2025-26	22.00
2026-27	3.57

### 18. Non-Current Financial Liabilities – Others

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Unsecured</b>		
Security Deposits	89.44	81.72
<b>Total</b>	<b>89.44</b>	<b>81.72</b>

\* Security Deposits Represents interest free deposits received from the allottees against electricity connection and facility maintenance

### 19. Non-Current Liabilities – Provision

Particulars	As at 31st March 2022	As at 31st March, 2021
Provision for Employee Benefits		
Gratuity	14.29	10.82
<b>Total</b>	<b>14.29</b>	<b>10.82</b>

## NOTES Continue.....

### 20. Current – Borrowings

Particulars	As at 31st March 2022	As at 31st March, 2021
<b>Unsecured</b>		
Loan from Bank (Overdraft against Fixed Deposits)	212.48	
Loan from Related Parties	28.47	45.80
Loan from Others	120.00	315.60
Current Maturities of Long-Term Debts;*	33.27	30.18
<b>Total</b>	<b>394.22</b>	<b>391.58</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>320.60</b>

\* Current Maturities of Long - term Debts represent portion of vehicle loans amounting to Rs. 33.27 Lakhs (Previous Year Rs.30.18 Lakhs), which is payable within a period of 12 months. The vehicle loans from banks are secured by way of hypothecation of respective assets.

### 20A. Related Party Disclosures (Partywise)

Type of Borrower	Amount of Loan or Advance in the nature of Loan Outstanding	% of Total Loans and Advances in the nature of Loans
<b>RELATED PARTIES</b>		
Arisudana Industries Limited	7.67	27%
Kamal Oil & Allied Industries Ltd	20.80	73%
<b>TOTAL</b>	<b>28.47</b>	<b>100%</b>

### 21. Trade Payables

Particulars	As at 31st March 2022	As at 31st March, 2021
total outstanding dues of micro enterprises and small enterprises ; and*	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	39.80	1,384.19
<b>Total</b>	<b>39.80</b>	<b>1,384.19</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>1,320.99</b>

Trade Payables Includes Rs.0/- (Previous Year Nil) Payables to Directors and their Related Parties.

#### As at 31st March 2022

Particulars	MSME	Others	Disputed MSME	Disputed Others
Less than 1 Year	-	39.78	-	-
1-2 Years	-	0.02	-	-
2-3 Years	-	-	-	-
More Than 3 Years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>39.80</b>	<b>-</b>	<b>-</b>

#### As at 31st March 2021

Particulars	MSME	Others	Disputed MSME	Disputed Others
Less than 1 Year	1,346.54	-	-	-
1-2 Years	37.66	-	-	-
2-3 Years	-	-	-	-
More Than 3 Years	-	-	-	-
<b>Total</b>	<b>1,384.19</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES Continue.....

### 22. Current Financial Liabilities – Others

(Amount in Lakhs)

Particulars	As at 31st March 2022	As at 31st March, 2021
Other Payables		
- Salaries & Wages payable	0.67	0.56
- Expenses Payable	80.77	81.63
- Payable to Auditor	3.15	7.58
- Director's Remuneration Payable	1.48	24.69
<b>Total</b>	<b>86.06</b>	<b>114.47</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>7.33</b>

Director's Remuneration & Salaries Payables Includes Rs.1.48 Lacs (Previous Year Rs.24.69 Lacs) Payables to Directors and their Related Parties.

### 23. Current Tax Liabilities – Provision

Particulars	As at 31st March 2022	As at 31st March, 2021
Provision for Income Tax (A.Y. 2022 -23)	123.01	-
Provision for Income Tax (A.Y. 2021 -22)	-	229.72
<b>Total</b>	<b>123.01</b>	<b>229.72</b>

### 24. Current Liabilities – Others

Particulars	As at 31st March 2022	As at 31st March, 2021
Advance from Customers	76.25	262.01
Statutory Dues Payable	11.41	22.82
<b>Total</b>	<b>87.67</b>	<b>284.83</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>0.60</b>

Advance from Customers Include Rs. 4.36 Lacs (Previous Year Rs. 4.18 Lacs ) from Related Parties.

### 25. Current Liabilities – Provision

Particulars	As at 31st March 2022	As at 31st March, 2021
Provision for Corporate Social Responsibility	14.42	-
Provision for Employee Benefits* Gratuity	40.23	38.83
<b>Total</b>	<b>54.65</b>	<b>38.83</b>

\* As per Actuarial Certificate

### 26. Revenue from operations

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from Real Estate Activities	2,264.07	3,419.00
Revenue from Sale of Fabrics	29.43	17.02
Revenue from Sale of Shares	10,952.83	8,296.61
Revenue from Sale of Other Products	371.15	-
<b>Total</b>	<b>13,617.47</b>	<b>11,732.63</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>3,206.06</b>

## NOTES Continue.....

(Amount in Rs.)

### 27. Other Income

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income		
From FDR	7.32	0.17
From Others	27.84	38.11
Profit/Loss on Derivatives	1,170.73	812.49
Dividend Received	0.86	6.19
Profit/Loss on Sale of Fixed Assets	-	1.55
Sale A/c Verka Both	0.13	0.06
Misc Income	5.50	0.58
Profit/Loss on Sale of Share	-	-
Rent Received	-	16.20
Discount Received	2.51	-
Labour Cess Received	24.98	-
Balance Written Off	0.20	-
<b>Total</b>	<b>1,240.08</b>	<b>875.34</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>336.54</b>

### 28. Purchase of Stock-in-Trade

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Purchase of Stock-in-Trade		
Land	247.88	375.00
Knitted Cloth	29.43	-
Shares	10,759.35	7,340.88
Other Products	342.43	-
Project Development Expenses	-	612.90
<b>Total</b>	<b>11,379.09</b>	<b>8,328.78</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>1,242.89</b>

### 29. Changes In Inventories of Stock-In-Trade

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Stock		
Land	380.38	811.01
Shares	464.04	768.44
Fabrics		16.22
	<b>844.41</b>	<b>1,595.67</b>
Closing Stock		
Land	395.28	380.38
Shares	357.12	464.04
Fabrics		-
	<b>752.40</b>	<b>844.41</b>
<b>Total</b>	<b>92.01</b>	<b>751.26</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>324.69</b>

## NOTES Continue.....

### 30. Employee Benefits Expenses

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
*Salaries and Bonus	254.84	235.90
Contribution to Provident and Other Funds	1.25	1.32
Gratuity Paid	1.70	-
Staff Welfare	1.91	2.06
<b>Total</b>	<b>259.70</b>	<b>239.28</b>

\*Includes Directors Remuneration Rs.205.66 Lacs Previous Year Rs. 194.43 Lacs

\*Includes Directors Sitting Fee Rs. 2.34 Lacs , Director's Conveyance Allowances Rs. 0.60 Lacs, Director's House Rent Allowances Rs.3.08 Lacs , Special Allowance to Directors Rs.1.95 Lacs, TDS on Non Monetary Benefit (Director) Rs.6.24 Lacs (Previous Year Directors Sitting Fee Rs. 3.93 Lacs , Director's Conveyance Allowances Rs. 1.13 Lacs, Director's House Rent Allowances Rs. 2.37 Lacs, Special Allowance to Directors Rs.1.19 Lacs , TDS on Non Monetary Benefit (Director) Rs.6.24 Lacs

### 31. Finance costs

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest to Banks	0.37	11.00
Interest to Others	89.18	19.82
Bank Charges	4.29	7.87
Other Finance Charges	12.21	6.16
<b>Total</b>	<b>106.04</b>	<b>44.85</b>
<b>Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)</b>		<b>0.17</b>

### 32. Other Expenses

Particulars	For the year ended 31st March, 2022
Advertisement	58.36
Electricity Expenses	21.08
Consumables	0.54
Generator Expenses	1.73
Fee & Taxes	49.27
Listing Fee	3.48
Freight Expenses	16.03
Insurance Expenses	5.27
Audit Fee	3.50
Legal Expenses	11.01
Professional Charges	97.97
Vehicle Expenses	15.08
Postage & Telegram	1.17
Telephone Exp	3.94
Rent Paid	63.20
Rent (Ludhiana Office)	6.80
Conveyance	7.38
Director Travelling Exp.	18.91
Travelling Exp.	9.57
Electric Repair	0.47
Site Expenses	0.85



Particulars	For the year ended 31st March, 2022
Petrol Expenses	1.02
General Repair	2.79
Business Promotion	19.73
Sales Promotion	45.27
Commission & Brokerage	223.63
AGM Expenses	0.52
Computer & Software Expenses	1.98
Demat Charges	0.02
Diwali Exp.	1.51
Gurgaon Office Expenses-312	2.17
General Exp.	1.95
ERP AMC Charges	1.82
Labour Charges	0.08
Loss on Sale of Fixed Asset	76.82
Maintenance Charges	8.05
Meter Testing Expenses	0.44
Misc. Exp.	1.47
Office Expenses	20.65
Other Charges-Shares	4.16
Photo Copier Exp.	0.34
Printing & Stationery	3.97
Subscription & Membership	4.17
Watch & Wards	17.44
Website Expenses	1.17
Water & Sewage	0.04
GST Late Filing Fee	0.37
Audio Video Exp	0.20
Project Development Expenses	12.99
CSR Expense	14.42
<b>Total</b>	<b>864.79</b>

### 33. Earning per Share (EPS) - In accordance with the Indian Accounting Standard (Ind AS-33)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Basic Earnings Per Share</b>		
Profit/(Loss) After Tax	2,379.10	2,230.37
Profit Attributable to Ordinary Shareholders	2,379.10	2,230.37
Weighted Average Number of Ordinary Shares (used as denominator for calculating Basic EPS)	15,674,008	11,590,958
Nominal Value of Ordinary Share	Rs.10/-	Rs.10/-
Earnings Per Share - Basic (In Rs.)	15.18	19.24
<b>Diluted Earnings Per Share</b>		
Profit/(Loss) After Tax	2,379.10	2,230.37
Profit Attributable to Ordinary Shareholders	2,379.10	2,230.37
Weighted Average Number of Ordinary Shares (used as denominator for calculating Diluted EPS)	18,586,595	11,590,958
Nominal Value of Ordinary Share	Rs.10/-	Rs.10/-
Earnings Per Share - Diluted (In Rs.)	13.08	19.24

## NOTES Continue.....

### 34. AMALGMATION OF RITESH SPINNING MILLS LIMITED. RITESH IMPEX PRIVATE LIMITED AND H.B. FIBRES LIMITED

- (a) Pursuant to Scheme of Amalgamation (Scheme) amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited and H. B. Fibres Limited with the company under section 230 to 232 of the Companies Act, 2013 sanctioned by National Company Law Tribunal, New Delhi Bench on 16th August, 2021 all assets and liabilities are transferred and vested in the company with appointed date of 1st April, 2018.
- (b) The amalgamation has been accounted in the books of account of the Company following pooling of interest method and in accordance with Ind AS 103 'Business Combination' read with Appendix C to Ind AS 103 specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the accounting treatment has been given as follows:
  - i. The assets, liabilities and reserves of Ritesh Spinning Mills Limited, Ritesh Impex Private Limited and H. B. Fibres Limited have been incorporated in the financial statements at the carrying values.
  - ii. Authorized Share Capital of Rs. 210 Lacs of Ritesh Spinning Mills Ltd., Rs. 5 Lacs of Ritesh Impex Pvt. Ltd. and Rs.500 Lacs H B Fibre Ltd. stand transferred as authorised share capital of the company.
  - iii. Suspense Share Capital is created for issue of share capital to Shareholders and Debenture-holders of Ritesh Spinning Mills Ltd., Ritesh Impex Private Limited and H. B. Fibres Ltd. for Rs. 746.89 Lacs, Rs. 189.65 Lacs and Rs. 140 Lacs respectively.
  - iv. The difference between book value of shares and debentures of Ritesh Spinning Mills Ltd., Ritesh Impex Private Limited and H. B. Fibres Ltd. and face value of Suspense Share Capital to be issued amounting to Rs 1853.56 Lacs has been adjusted to capital reserve of the Company as Gain on Bargain Purchase.
  - v. Inter-Company balances and transactions have been eliminated.
  - vi. The balance of the retained earnings, general reserve and revaluation reserve appearing in the financial statements of Ritesh Spinning Mills Ltd., Ritesh Impex Private Limited and H. B. Fibres Ltd. have been aggregated with corresponding balance appearing in the financial statements of the Company.
  - vii. The financial information in the financial statements in respect of prior period have been restated as if business combination had occurred from the beginning of the preceding period in the financial statements irrespective

of actual date of combination in accordance with Ind AS 103.

### 35. Critical Accounting Estimates and Judgments

The estimates and judgments used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgments are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates—even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the period in which they become known.

The areas involving critical estimates, assumptions or judgments are:

1. Useful lives of property, plant and equipment's **Note 4**
2. Measurement defined benefit obligation **Note 19 & 25**
3. Estimation of provisions & contingent liabilities refer **Note 23 & 37**
4. Estimation of fair value of unlisted securities **Note 5**

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

36. During the year, Company has recognized the following amounts in the financial statements as per Ind AS19 "Employees Benefits" issued by the ICAI:

#### Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognized in the same manner as gratuity..

**Table Showing Changes in Present Value of Obligations:**

(In Lakhs)

Period	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Present value of the obligation at the beginning of the period as provided by the Company	49.65	24.05
Interest cost	3.48	1.68
Current service cost	1.70	1.42
Past Service Cost	0	0
Benefits paid (if any)	0	0
Actuarial (gain)/loss	(0.30)	22.50
Present value of the obligation at the end of the period	54.52	49.65

**(The amount to be recognized in the Balance Sheet):**

Period	As on: 31-03-2022	As on: 31-03-2021
Present value of the obligation at the end of the period	54.52	49.65
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	54.52	49.65
Funded Status - Surplus/ (Deficit)	(54.52)	(49.65)

**Expense recognized in the statement of Profit and Loss:**

Period	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Interest cost	3.48	1.68
Current service cost	1.70	1.42
Past Service Cost	0	0
Expected return on plan asset	(0)	(0)
Expenses to be recognized in P&L	5.17	3.10

**Other comprehensive (income) / expenses (Remeasurement)**

Period	From: 01-04-2021 To: 31-03-2022	From: 01-04-2020 To: 31-03-2021
Cumulative unrecognized actuarial (gain)/loss opening. B/F	22.50	0
Actuarial (gain)/loss – obligation	(0.30)	22.50
Actuarial (gain)/loss - plan assets	0	0
Total Actuarial (gain)/loss	(0.30)	22.50
Cumulative total actuarial (gain)/loss. C/F	22.20	22.50

**Actuarial assumptions provided by the company and employed for the calculations are tabulated:**

Discount rate	7.00 % per annum	7.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

## NOTES Continue.....

### Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.

(Amount in Rs.)

01 Apr 2022 to 31 Mar 2023	40.23	38.83
01 Apr 2023 to 31 Mar 2024	0.44	0.34
01 Apr 2024 to 31 Mar 2025	0.44	0.34
01 Apr 2025 to 31 Mar 2026	2.65	0.34
01 Apr 2026 to 31 Mar 2027	0.31	2.07
01 Apr 2027 Onwards	10.44	7.72

### Sensitivity Analysis:

Period	As on: 31-03-2022	As on: 31-03-2021
Defined Benefit Obligation (Base)	54.52 @ Salary Increase Rate : 5%, and discount rate :7%	49.65 @ Salary Increase Rate : 5%, and discount rate :7%
Liability with x% increase in Discount Rate	53.24; x=1.00% [Change (2)% ]	48.36; x=1.00% [Change (2)% ]
Liability with x% decrease in Discount Rate	56.00; x=1.00% [Change 3% ]	51.12; x=1.00% [Change 3% ]
Liability with x% increase in Salary Growth Rate	54.90; x=1.00% [Change 1% ]	49.95; x=1.00% [Change 1% ]
Liability with x% decrease in Salary Growth Rate	54.32; x=1.00% [Change 0% ]	49.51; x=1.00% [Change 0% ]
Liability with x% increase in Withdrawal Rate	54.72; x=1.00% [Change 0% ]	49.83; x=1.00% [Change 0% ]
Liability with x% decrease in Withdrawal Rate	54.30; x=1.00% [Change 0% ]	49.45; x=1.00% [Change 0% ]

### 37. Contingencies

#### Contingent Liabilities in respect of:

(Amounts in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Guarantees given by banks on behalf of the Company	Nil	2.00
Claims against the Company not acknowledged as debt in financial statements	Nil	Nil
Impact of pending litigations not acknowledged as debt in financial statements	Nil	Nil
Income tax Matters not acknowledged as debt in financial statements	908.30	908.30
Unexecuted Capital Commitment (Net of Advances)	Nil	Nil

- The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.
- The Company Periodically Review all its long term contracts to assess for any material foreseeable losses, Based on such review wherever applicable, the Company has adequate provisions for these long term contracts in the books of accounts as required under any applicable law/accounting standards
- As at March31, 2022 the Company did not have any outstanding long term derivative Contracts.

### 38. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due	-	-
Interest due on above	-	-
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the period	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

**Note:** The above information and that is given in 'Note-21' Trade Payables regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

## NOTES Continue.....

### 39. Related Party Disclosures as required by IND AS -24

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

#### ENTITIES UNDER CONTROL OF KMP & THEIR RELATIVES

- o Kamal Oil & Allied Industries Ltd
- o K P Advisors (Realty) Pvt Ltd
- o Femella Fashions Ltd
- o Ritesh Rentals (P) Ltd
- o Finton Homes
- o Arisudhana Industries Ltd.
- o NP Blockhouse Real Estate Pvt. Ltd.
- o Auster Securities Ltd
- o Findoc Investmart Pvt. Ltd.
- o Findoc Commodities Pvt. Ltd.
- o Findoc Finvest Pvt. Ltd.
- o Kripra Real Estate Pvt. Ltd.

#### KEY MANAGERIAL PERSONNEL REPRESENTED ON THE BOARD

- o Sh. Sanjeev Arora Chairman cum Managing Director
- o Sh. Roop Kishore Fathepuria Whole Time Director
- o Sh. Kavya Arora Whole Time Director & CFO (upto 06.12.2021)
- o Sh. Surinder K Sood Director
- o Sh. Virender Singh Billing Director (upto 28.11.2020)
- o Sh. Gurpreet Singh Brar Director
- o Ms. Shweta Sehgal Director
- o Mr. Rohit Kumar Maggu Director
- o Mr. D.P. Reddy Director
- o Ms. Tarandeep Kaur Company Secretary
- o Mr. Deepak Sharma Chief Financial Officer (w.e.f. 07.12.2021)
- o Mr. Hemant Sood Director (w.e.f. 14.08.2021)

#### RELATIVES OF DIRECTOR

- o Mrs. Guneet Arora
- o Mrs. Sandhya Arora

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

(in Lakhs)

Sr. No.	Name of Company/Firm/Individual	Nature of Transaction	2021-22 (Rs.)	2020-21 (Rs.)
1.	Femella Fashions Ltd.	<ul style="list-style-type: none"> <li>- Loan Taken</li> <li>- Loan Repayment</li> <li>- Loan Given</li> <li>- Loan Received back</li> <li>- Purchase of Investments</li> <li>- Expenses made on behalf of company</li> <li>- Allocated Cost of Common Facility Used</li> <li>- Purchase of Gift Cards</li> </ul>	NIL NIL 1216.75 1971.43 NIL 22.24 29.48 0.18	Nil 167.16 4096.43 3356.65 786.00 0.34 29.30 NIL
2.	Sh. Sanjeev Arora	<ul style="list-style-type: none"> <li>- Loan Given</li> <li>- Loan Received back</li> <li>- Director Remuneration</li> <li>- Income Tax on Non-Monetary</li> <li>- Rent Paid</li> <li>- Sale of Service (Electricity)</li> <li>- Sale of Service (CAM)</li> <li>- Repayment of Advance for Property</li> <li>- Loan adjusted from Advance</li> </ul>	315.00 315.00 120.00 6.24 12.00 NIL NIL 806.00 1106.00	NIL NIL 110.00 6.24 12.00 0.12 0.12 NIL NIL

**NOTES Continue.....**

Sr. No.	Name of Company/Firm/ Individual	Nature of Transaction	2021-22 (Rs.)	2020-21 (Rs.)
3.	Smt. Sandhya Arora	- Rent Paid - Loan Taken - Loan Given Back	12.00 NIL 14.50	12.00 NIL NIL
4.	K P Advisors (Realty) Pvt Ltd.	Loan Given	0.55	NIL
5.	Sh. Kavya Arora	Director's Remuneration Rent Paid Loan Given Back	72.00 12.00 5.50	66.00 12.00 NIL
6.	Sh. Virender Singh Billing	Director's Remuneration	NIL	4.80
7.	Smt. Guneet Arora	Professional Charges Loan Taken Loan Repayment	NIL NIL 5.00	11.00 NIL NIL
8.	Sh. Roop kishore Fatehpuria	Director's Remuneration Perks & Other Allowances	13.66 5.64	13.63 4.69
9.	Sh. Surinder K Sood	Sitting Fee	0.94	1.30
10.	Sh. Gurpreet Singh Brar	Sitting Fee	0.58	0.98
11.	Ms. Shweta Sehgal	Sitting Fee	0.42	0.75
12.	Mr. Rohit Kumar Maggu	Sitting Fee	NIL	0.30
13.	Mr. D.P. Reddy	Sitting Fee	0.40	0.60
14.	Ms. Tarandeep Kaur	Salary Reimbursement of Expenses	6.24 2.85	3.40 NIL
15.	Mr. Deepak Sharma	Salary	2.40	NIL
16.	Arisudhana Industries Ltd.	Interest Income Loan Given Loan Received Back Interest Expense Loan Taken Loan Repayment	NIL NIL NIL 8.52 370.00 370.00	1.84 NIL 46.32 NIL NIL NIL
17.	Kamal Oil & Allied Industries	Loan Received Back Loan Taken Expenses made on behalf of company	NIL NIL NIL	NIL NIL 0.04
18.	NP Blockhouse Real Estate Pvt. Ltd.	Loan Given Amount recovered from company related to Expenses Expenses made on behalf of company	63.00 5.24 7.37	3.00 NIL NIL
19.	Finton Homes	Capital Contribution by way of Transfer of Land Share of Profits Sale of services (Electricity) Reimbursement of Expenses (Security Expenses) Expenses made on behalf of company Amount recovered for company related expenses Capital Contribution Capital Withdrawal	NIL 2041.23 5.25 4.88 20.00 20.00 250.00 150.00	1850.97 1242.30 4.01 4.12 NIL NIL NIL NIL
20.	Findoc Commodities Pvt. Ltd.	Brokerage & Charges	0.41	NIL
21.	Findoc Investmart Pvt. Ltd.	Brokerage & Charges	3.71	NIL
22.	Findoc Finvest Pvt. Ltd.	OFCDs Issue Loan taken Loan Repayment Conversion of OFCD into Equity Shares	924.00 100.00 100.00 268.87	NIL NIL NIL NIL
23.	Kripra Real Estate Pvt. Ltd.	Purchase	140.00	NIL

## NOTES Continue.....

### iii) Amount due from/To Related Parties

Particulars		As on 31.03.2022 (Rs.)	(In Lakhs) As on 31.03.2021 (Rs.)
i)	<b>Due to Related Parties (included in Unsecured Loans &amp; Current Liabilities)</b>		
	Kamal Oil and Allied Industries Ltd.	20.80	20.80
	Finton Homes	-	4.12
	Arisudana Industries Ltd.	7.67	-
	Kavya Arora	4.40	17.08
	Roop Kishore Fatehpuria	1.48	1.96
	Sandhaya Arora	NIL	16.35
	Guneet Arora	NIL	5.93
	Tarandeep Kaur	NIL	0.30
	Surinder K. Sood	0.94	NIL
	Shweta Sehgal	0.42	NIL
	D.P. Reddy	0.40	NIL
ii)	<b>Due from Related Parties (included in Loans &amp; Advances &amp; Sundry Debtors)</b>		
	Femella Fashions Ltd.	NIL	747.61
	NP Blockhouse Real Estate Pvt. Ltd.	68.13	3.00
	KP Advisors (Realty) Pvt. Ltd.	1.67	1.12
	Sanjeev Arora	960.45	1245.60
	Finton Homes	5221.16	3079.39
	TARANDEEP KAUR	0.54	NIL
	Findoc Investmart Pvt. Ltd.	1606.61	NIL

40. Expenditure in Foreign Currency on Travelling is Rs. Nil (P.Y-Nil).

### 41. Segment Reporting as per IND AS 108

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief operating decision maker regularly monitors and reviews the operating result of the whole company. As defined in Ind AS 108 "Operating Segments", the company's entire business falls under these Operational segments: -

1. Real Estate
2. Textile Division
3. Trading in shares & Derivatives

Particulars	2021-22				Total	2020-21			
	Real Estate	Textile	Shares	Other		Real Estate	Textile	Shares	Total
Revenue / Sales	2264.07	29.43	10952.83	371.15	13617.47	3419	17.02	8296.61	11732.62
Results	1629.39	(10.82)	86.56	-	1775.22	2000.47	0.80	651.32	2652.59
Profit before Interest & Finance Cost	1629.39	(10.82)	86.56	-	1775.22	2000.47	0.80	651.32	2652.59
Unallocable Expenses	-	-	-	-	781.72	-	-	-	819.95
Operating Profit	-	-	-	-	993.50	-	-	-	1832.63
Interest Expenses	-	-	-	-	106.65	-	-	-	44.85
Unallocable Income	-	-	-	-	1611.23	-	-	-	875.34
Net Profit	-	-	-	-	2498.69	-	-	-	2663.12
Assets	9041.90	31.77	3598.07	-	12671.74	8510.06	152.21	2178.01	10840.28
Liabilities	1629.39	-	-	-	1629.39	2577.63	35.96	-	2613.58
Share Capital	-	-	-	-	2444.29	-	-	-	2235.64
Reserve & Surplus	-	-	-	-	8597.78	-	-	-	5991.06
Segment Depreciation	-	-	-	-	46.58	-	-	-	47.01
Segment other non-cash expense	-	-	-	-	-	-	-	-	-
Segment Capital Expenditure	-	-	-	-	-	-	-	-	-

Information about Reportable Segments: (In Lakhs)

## 42. Financial Instruments by category

(in lakhs)

Particulars	Level	Mar-22			Mar-21		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>1) Financial Assets</b>							
I) Investments (Note No. 5 & 9)	1	-	1108.95	5227.84	-	1949.03	3079.39
II) Trade receivables (Note No. 10)	3	-	1722.36		-	-	1195.88
III) Cash and Cash equivalents (Note No. 11)	1	-	26.63		-	-	294.71
IV) Other receivables (Note No. 6 & 12)	3	-	1709.84		-	-	2854.63
<b>Total Financial Assets</b>		-			-	1949.03	7424.61
<b>2) Financial liabilities</b>							
I) Borrowings							
A) From Banks (Note No. 17)	3	-	-	740.03	-	-	107.61
B) From Others (Note No. 20)	3	-	-	394.22	-	-	361.40
II) Trade payables (Note No. 21)	3	-	-	39.80	-	-	1384.19
III) Other liabilities (Note No. 18 & 22)	3	-	-	175.50	-	-	196.18
<b>Total Financial Liabilities</b>		-	-		-	-	2049.38

### Fair Value measurement

Fair Value Hierarchy and valuation technique used to determine fair value:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs.

### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

## 43. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

### MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date

(In Lakhs)					
Particulars	Notes Nos.	Less than 12 months	1 to 5 Years	Above 5 Years	Total
<b>As at March 31, 2022</b>					
Borrowings	17,20	394.22	740.03	-	1134.25
Trade payables	21	39.78	0.022	-	39.80
Other liabilities	18,22	86.06	89.44	-	175.50
<b>As at March 31, 2021</b>					
Borrowings	17,20	391.59	77.42	-	469.01
Trade payables	21	1346.54	37.66	-	1384.19
Other liabilities	18,22	114.47	81.72	-	226.37

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.



## NOTES Continue.....

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>INTEREST RATE RISK</b>		
<p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.</p> <p>a) Company has Fixed deposits with Banks amounting to Rs. 2.82 Lakhs as at March 31st, 2022 (Rs. 2.82 Lakhs as at March 31st, 2021) Interest Income earned on fixed deposit for year ended March 31st, 2022 is Rs.7.32Lakhs ( Rs. 0.17Lakhs for the year ended March 31st, 2021)</p> <p>b) Company has Borrowing from Banks amounting to Rs. 740.03Lakhs as at March 31st, 2022 (Rs. 107.61 Lakhs as at March 31st, 2021) Interest Expenses on such borrowings for the year ended March 31st, 2022 is Rs. 12.58Lakhs (Rs. 17.16Lakhs for the year ended March 31st, 2021)</p>	<p>In order to manage its interest rate risk The Company diversifies its portfolio in accordance with the risk management policies.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates.</p> <p>a) A 1% increase in interest rates would have led to approximately an additional Rs. 0.02817 Lakhs gain for year ended March 31st, 2021 (Rs. 0.02647Lakhs gain for year ended March 31st 2020) in Interest income. A 1% decrease in interest rates would have led to an equal but opposite effect.</p> <p>b) A 1% increase in interest rates would have led to approximately an additional Rs. 1.08 Lakhs loss for year ended March 31st, 2021 (Rs. 1.39 Lakhs loss for year ended March 31st 2020) in Interest expense. A 1% decrease in interest rates would have led to an equal but opposite effect.</p>

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

### Trade Receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 March 2022, the Company had top 5 customers that owed the Company more than Rs. 1665.01 Lakhs (31 March 2021: Rs.1195.88 Lakhs) and accounted for approximately 96.67% (31 March 2021: 100%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 14. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March, 2022 and 31 March, 2021 is the carrying amounts as illustrated in Note 11.

### Capital management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

## NOTES Continue.....

(In Lakhs)

Particulars	Note	31-Mar-22	31-Mar-21
Borrowings	17&20	1134.25	469.01
Less : Cash and Cash equivalents	11	26.63	294.71
Total Debt		1107.62	174.29
Equity		11042.07	8226.70
Net Debt to Equity		10.03%	2.12%

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

44. During the year, the Company increased the Authorized Share capital of the Company in conformity with the provisions of the Act. Clause V, The Authorized Share Capital of the Company is Rs. 2815.00 Lakhs (Rupees Twenty eight Crores Fifteen Lacs) divided into 281.50 Lakhs (Two crores Eighty-one Lacs Fifty thousands) Equity shares of the face value of Rs. 10/- (Rupees Ten only) each. The corresponding form for increase in authorized share capital has been duly filed.
45. During the year, the issuance of Optionally Fully Convertible Debentures by way of preferential issue on private placement basis in accordance with provisions ascribed in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2019 was approved in Board Meeting dated 15th February, 2021. After the Balance Sheet Date i.e 31.03.2021, the Board of Directors in their meeting held on April 08, 2021 allotted 42,00,000 (Forty Two Lakh) Optionally Fully Convertible Debentures (OFCD) of the face value of 10/- (Rupees Ten Only) each on private placement basis at an issue price of 22/- (Rupees Twenty Two Only) each i.e. at a premium of 12/- (Rupees Twelve Only) per OFCD.
46. During the previous financial year, an Open Offer for the Acquisition of up to 41,05,650 Equity Shares of Face Value of Rs. 10/- each Constituting 26% of the expanded equity share capital of Ritesh Properties And Industries Limited from the public shareholders of the Company was made by Findoc Finvest Private Limited ("Acquirer") and acquired accordingly.

### 47. Tax Reconciliation

(In Lakhs)

Particulars	31.03.2022	31.03.2021
Net Profit as per Profit and Loss Account (before tax)	2498.69	2663.12
Current Tax rate (MAT)	25.17%	25.17%
Current Tax	642.41	670.25
Adjustment:		
Exempt u/s 10	(525.06)	(312.66)
Unabsorbed Depreciation/Losses	0	(138.06)
Others	4.50	11.78
Tax Provision as per Books	121.85	231.32

48. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labor and Employment ('Ministry') has released draft rules for the Code on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.
49. The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and Right of Use Assets are held in the name of the Company as at the balance sheet date.
50. The Company does not have any Investment Property.
51. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
52. The Company has no transactions with struck-off companies.
53. During the Year, the Company has no charge which is yet to be made register with ROC.

54. Following are the Ratios:

Ratios	Numerator	Denominator	As at 31/3/22	As at 31/3/21	% Variances	Reason for variances (if above 25%)
			Ratios	Ratios		
Current ratio	5933.25	785.41	7.55	2.17	247.92%	Current Liabilities have reduced hence Current ratio is improved.
Debt-Equity Ratio	1134.25	11042.06	0.10	0.06	66.67%	Due to increase in borrowed funds.
Debt Service Coverage Ratio	2643.18	401.34	6.59	15.19	-56.62%	Due to increase in borrowed funds.
Return on Equity Ratio	2382.93	11042.06	0.22	0.27	-18.51%	NA
Inventory Turnover Ratio	11471.10	841.66	13.63	7.44	81.85%	Due to Increase in Turnover, Ratio increased
Trade Receivable Turnover Ratio	13617.47	1459.12	9.33	7.89	18.25%	NA
Trade Payable Turnover Ratio	11379.09	711.99	15.98	13.54	18.02%	NA
Net Capital Turnover Ratio	13617.47	5147.84	2.65	4.10	-35.37%	Due to increase in net working capital.
Net Profit Ratio	2382.93	13617.47	0.17	0.19	-10.52%	NA
Return on Capital Employed	2498.69	11782.10	0.21	0.32	-34.38%	Due to increase in capital employed.
Return on Investment	2382.93	11782.10	0.20	0.27	-25.93%	Due to increase in capital employed

55. The Company has granted loans or advance in the nature of loan to promoters, directors, KMPs and related parties which repayable on demand are as under:

Type of Borrower	Amount of Loan or advance in the nature of loan outstanding	Percentage of total loans and advance in the nature of loans.
Promoter cum Director	Rs.960.45 Lacs	57.09%
Related Parties	Rs.69.82 Lacs	4.15%

56. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

57. The Company has not received from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding whether recorded in writing or otherwise that the company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

58. The Company has carried out Impairment Test on its Fixed Assets as on March 31, 2022 and the Management is of the opinion that there is no asset for which impairment is required to be made as per IND-AS 36 - "Impairment of Assets".

59. As per Section 135 of the Companies Act, 2013, a company, meeting the applicable thresholds ascribed under section 135 of the aforesaid Act, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility ("CSR") activities in a financial year and if such a company fails to spend the required amount towards CSR activities in a financial year then such unspent amount, unless the unspent amount relates to any ongoing project as referred to in sub-section (6) of section 135, shall be transferred to a fund specified under schedule VII of the Companies Act, 2013 within such time limit as prescribed under section 135 of the Act.

As per section 135 read with section 198 of the Companies Act, 2013, amount required to be spent by the Company during the year was Rs. 14.42 Lacs, being 2% of the average Net Profit of the Company. However, the Company was unable to spend the amount towards CSR owing to non-availability of suitable projects, therefore, the Company will transfer the unspent amount in a fund specified under the Schedule VII of the Act, within a period of six months of the end of the financial year i.e. on or before 30th September, 2022.

60. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

61. The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.

62. The company has utilized funds raised from borrowing from banks & financial institution for the specific purpose for which they were issued and there were no funds which are pending for Utilization for specific purposes.
63. The company has not obtained working capital limit from banks or financial institution on the basis of security of current assets.
64. The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
65. Corresponding figures of previous year have been regrouped / reclassified wherever deemed necessary and the figures have been rounded off to the nearest rupee.

**For Khandelwal Jain & Co.,  
Chartered Accountants  
(Firm Registration No. 105049W)**

**On behalf of the Board  
Ritesh Properties & Industries Ltd.**

**(Manish Kumar Singhal)  
Partner  
M. No. 502570**

**(Sanjeev Arora)  
(DIN: 00077748)  
Chairman Cum  
Managing Director**

**(Kavya Arora)  
(DIN :02794500)  
Executive Director  
& Whole Time Director**

**Place: New Delhi  
Date: 30/05/2022**

**(Deepak Sharma)  
Chief Financial Officer**

**(Tarandeep Kaur)  
(ACS42144)  
Company Secretary**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Ritesh Properties and Industries Limited**

### Report on the Audit of the Consolidated Financial Statements

#### 1. Opinion

We have audited the accompanying consolidated financial statements of **Ritesh Properties and Industries Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2022 the consolidated Statement of Profit and Loss (including other comprehensive income) and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, and its profit

(including other comprehensive income) and changes in equity for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Evaluation of Provision and Contingent Liabilities:	Our Audit procedure included:
	<p>As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 37. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p> <p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>Due to the inherent complexity and level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered a key audit matter.</p>	<ul style="list-style-type: none"> <li>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</li> <li>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied.</li> </ul> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> <li>the details of the proceedings before the relevant authorities including communication from the advocates / experts;</li> <li>legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;</li> <li>status of each of the material matters as on the date of the balance sheet.</li> <li>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the Standalone Financial Statements.</li> </ul>

#### 4. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information comprising the above documents is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 5. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### 6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the consolidated financial statement of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Other Matters

- a) Based on the consideration of the report of other auditor on separate financial statement and other financial information of subsidiary entity, these consolidated financial Statements includes:

- Finton Homes (Partnership Firm)(PAN-AAGFF2133F)

- b) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements/financial information, before consolidated adjustments, reflects total assets of Rs. 11508.54 Lakhs as at March 31, 2022, total revenues of Rs. 9119.91 Lakhs, total net profit of Rs. 3713.14 Lakhs and total comprehensive Income of Rs. 3713.14 Lakhs for the year ended on that date. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub section (3) of section 143 of the act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## 8. Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matters' paragraph above, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of Holding Company, none of the directors of the holding companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Refer Note to the consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv. (a) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures performed by us and those performed by the auditors of the subsidiaries, that have been considered reasonable and appropriate in the circumstances performed, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company have not declared or paid any dividend during the year. .

B. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO report in respect of the standalone financial statements of the Holding Company which are included in these Consolidated Financial Statements. In our opinion, and according to the information and explanations given to us, CARO 2020 is not applicable to the subsidiary entity included in these Consolidated Financial Statements, hence, this report does not contain a statement on the matter specified in paragraph 3(xxi) of CARO 2020 in relation to the subsidiary entity.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants**  
**Firm Registration No. 105049W**

**Manish Kumar Singhal**  
**Partner**  
**Membership No. 502570**  
**UDIN: 22502570AJXOKK1468**

**Place: New Delhi**  
**Dated: 30/05/2022**



## ANNEXURE A

To  
the Members of  
**Ritesh Properties and Industries Limited**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Ritesh Properties and Industries Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as on that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Group's, internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing both, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph below, the Group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the respective companies of the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary entity is based solely on the corresponding report of the auditors of such entity.

Our opinion is not modified in respect of the above matter.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants**  
**Firm Registration No. 105049W**

**Manish Kumar Singhal**  
**Partner**  
**Membership No. 502570**  
**UDIN: 22502570AJXOKK1468**

**Place: New Delhi**  
**Dated: 30/05/2022**

## Consolidated Balance Sheet as at 31st March' 2022

(Amount in Lakhs)

Particulars	Note No.	31st March 2022
<b>ASSETS</b>		
<b>Non-current Assets</b>		
(a) Property, Plant and Equipment	4	386.14
(b) Financial Assets		
(i) Investments	5	1,108.95
(ii) Others	6	27.64
(c) Deferred Tax Assets (Net)	7	170.28
<b>Total Non-Current Assets</b>		<b>1,693.01</b>
<b>Current Assets</b>		
(a) Inventories	8	6,332.81
(b) Financial Assets		
(i) Investments	9	6.22
(ii) Trade Receivables	10	6,221.36
(iii) Cash and Cash Equivalents	11	599.63
(iv) Loans	12	1,682.20
(c) Current Tax Assets (Net)	13	96.66
(d) Other Current Assets	14	2,321.92
<b>Total Current Assets</b>		<b>17,260.79</b>
<b>Total Assets</b>		<b>18,953.80</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	15	2,444.29
(b) Other Equity	16	8,597.78
<b>Total Equity</b>		<b>11,042.07</b>
<b>LIABILITIES</b>		
<b>NonControllingInterest</b>		<b>4,551.13</b>
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	17	740.03
(ii) Others	18	89.44
(b) Provisions	19	16.91
<b>Total Non-Current Liabilities</b>		<b>846.38</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	20	394.22
(ii) Trade Payables	21	-
(A) total outstanding dues of micro enterprises and small enterprises ; and		
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		141.59
(iii) Others	22	873.14
(b) Current Tax Liability (Net)	23	123.01
(c) Other Current Liabilities	24	927.60
(d) Provisions	25	54.66
<b>Total Current Liabilities</b>		<b>2,514.22</b>
<b>Total Equity and Liabilities</b>		<b>18,953.80</b>
Summary of Significant accounting policies and other notes to Financial Statements	1 to 66	

The accompanying explanatory notes form an integral part of these financial statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

(Sanjeev Arora)  
Chairman Cum Managing Director  
DIN:00077748

Manish Kumar Singhal  
Partner  
Membership No. 502570

(Kavya Arora)  
Executive Director & Whole Time Director  
DIN:02794500

Place: New Delhi  
Date: 30/05/2022

(Deepak Sharma)  
Chief Financial Officer

(Tarandeep Kaur)  
Company Secretary  
(ACS42144)

## Consolidated Statement of Profit and Loss for the year ended 31st March '2022

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2022
	<b>INCOME</b>			
I	Revenue from operations	26		18,510.12
II	Other Income	27		1,425.11
III	<b>Total Income (I+II)</b>			19,935.24
	<b>EXPENSE</b>			
IV	Cost Recognised			5,408.22
	Purchase of Stock-in-Trade	28		11,379.09
	Changes In Inventories of Stock-In-Trade	29	-	2,188.39
	Employee Benefits Expense	30		297.02
	Finance Costs	31		110.48
	Depreciation and amortization expenses	4		54.61
	Other Expenses	32		864.79
	<b>Total Expenses (IV)</b>			15,925.82
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>			4,009.41
VI	<b>Exceptional Items</b>			-
VII	<b>Profit / (loss) before tax (V-VI)</b>			4,009.41
VIII	<b>Tax expense</b>			
	(1) Current Tax			121.85
	(2) Deferred Tax & MAT Credit			(162.45)
	(3) Income Tax Paid (Earlier Year)			-
IX	<b>Profit / (Loss) for the year (VII-VIII)</b>			4,050.01
X	Profit / (Loss) from discontinued operations			-
XI	Tax Expenses of discontinued operations			-
XII	<b>Profit / (Loss) from discontinued operations (After Tax) (X-XI)</b>			
XIII	<b>Profit / (Loss) for the year (IX+XII)</b>			4,050.01
X	<b>Other Comprehensive Income ('OCI')</b>			
	(A) Items that will not be reclassified to profit or loss			
	Re-measurement gains/(loss) on defined benefits plans			0.30
	Tax Impact on above Item			0.08
	Gain/(Loss) as Equity Instruments through OCI			4.62
	Tax Impact on above Item			(1.16)
	<b>Other Comprehensive Income (OCI) (After Tax)</b>			3.83
XI	<b>Total Comprehensive Income for the year (IX+X)</b>			4,053.84
	<b>Profit/(Loss) for the year attributable to</b>			
	Parent			2,379.10
	NCI			1,670.91
	<b>Other Comprehensive Income for the year attributable to</b>			
	Parent			3.83
	NCI			-
	<b>Total Comprehensive Income for the year attributable to</b>			
	Parent			2,382.93
	NCI			1,670.91
	<b>Earning Per Equity Share</b>			
	Basic EPS (In Rs.)	33		15.18
	Diluted EPS (In Rs.)			13.08
	Summary of Significant accounting policies and other notes to Financial Statements	1 to 66		

The accompanying explanatory notes form an integral part of these financial statements  
**As per our report of even date**

**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No. 105049W**

**(Sanjeev Arora)**  
Chairman Cum Managing Director  
DIN:00077748

**(Kavya Arora)**  
Executive Director & Whole Time Director  
DIN:02794500

**Manish Kumar Singhal**  
**Partner**  
**Membership No. 502570**

**(Deepak Sharma)**  
Chief Financial Officer

**(Tarandeep Kaur)**  
Company Secretary  
(ACS42144)

Place: New Delhi  
Date: 30/05/2022

## Consolidated Statement of Changes in Equity for the year ended 31st March '2022

### (A) Equity Share Capital

(Amount in lakhs Except no. of Shares)

Particulars	No. of Shares	Amount	No. of Shares	Amount
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
Balance at the beginning of the year	22,356,369	223,563,690	22,356,369	223,563,690
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current period	22,356,369	223,563,690	22,356,369	223,563,690
Changes in equity share capital during the Year	2,086,546	20,865,460	-	-
Balance at the end of the year	24,442,915	244,429,150	22,356,369	223,563,690

### B. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	Capital Reserve	Equity Component of Debenture	Revaluation Reserve	Change in Fair Value of Equity Instruments through OCI	
As at 1st April 2021	1,560.58	1,477.50	2,846.63		110.67	(4.33)	5,991.06
Profit/(Loss) for the year	-	2,379.10	-		-	-	2,379.10
Other Comprehensive Income/ (Loss) for the year		0.38				3.45	3.83
Total Comprehensive Income/(Loss) for the year	1,560.58	3,856.98	2,846.63		110.67	(0.87)	8,373.99
Issued / Amount during the year	146.66		-	77.13	-	-	4,774.92
Changes in accounting policy or prior period errors	-	-	-		-	-	-
As at Mar 31, 2022	1,707.24	3,856.98	2,846.63	77.13	110.67	(0.87)	8,597.78

### Summary of Significant accounting policies and other notes to Financial Statements

The accompanying explanatory notes form an integral part of these financial statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

(Sanjeev Arora)  
Chairman Cum Managing Director  
DIN:00077748

(Kavya Arora)  
Executive Director & Whole Time Director  
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Manish Kumar Singhal  
Partner  
Membership No. 502570

(Deepak Sharma)  
Chief Financial Officer

(Tarandeep Kaur)  
Company Secretary  
(ACS42144)

Place: New Delhi  
Date: 30/05/2022

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

### 1. Group Overview

Ritesh Properties & Industries Ltd ("the Company") is engaged in the business of Real Estate Business, Textiles, trading in Shares and Derivatives. The Company is a public limited company incorporated and domiciled in India and has its registered office at 11/5B, Pusa Road, New Delhi – 110060. Shares of the company are listed on Bombay Stock Exchange, Mumbai, India.

Pursuant to Scheme of Amalgamation (Scheme) of Ritesh Spinning Mills Limited, Ritesh Impex Private Limited and H. B. Fibres Limited with the Company under section 230 to 232 of the Companies Act, 2013 sanctioned by National Company Law Tribunal, New Delhi Bench on 16th August, 2021 all assets and liabilities are transferred and vested in the Company with appointed date of 1st April, 2018.

The Company together with its partly owned subsidiary "Finton Homes" is referred to as "the Group".

The accompanying consolidated financial statements include the accounts of Ritesh Properties & Industries Ltd. and its Partly-owned subsidiaries (collectively, "Finton Homes" or the "Firm"). All significant inter-company accounts and transactions have been eliminated.

### 2. (a). Basis of Consolidation

The company consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the company and its subsidiary "Finton Homes". Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the Group companies are consolidated on a line-by-line basis and intra-company balances and transactions, including unrealized gain / loss from such transactions, are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

### (b.) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022 in Ind AS 103, Ind AS 16, Ind AS 37, Ind AS 109 and Ind AS 106. The Company does not expect the amendment to have any significant impact in its financial statements.

### 3. Significant Accounting Policies

#### a. Compliance with IND AS

The consolidated financial statement are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except

for certain financial instruments which are measured at fair values, the provisions of the companies act 2013 (the Act) (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Indian Accounting Standards (IND AS) are prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Group, to all the periods presented in the said financial statements. The preparation of the said financial statements requires the use of certain critical accounting estimates and judgments. It also requires the management to exercise judgment in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgment or complexity, are disclosed in Note 35.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required. All the amounts included in the financial statements are reported in Indian Rupees ('Rupees') and are rounded to the nearest rupees in Lakh except per share data and unless stated otherwise.

#### b. Historical Cost Convention

The Financial Statements have been prepared under the historical cost convention on accrual basis except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value for the followings:

- Certain financial assets and liabilities and contingent consideration which are measured at fair values.
- Assets held for sale measured at fair value less cost to sell.
- Defined benefit plan assets measured at fair value.

Historical Cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### c. Use of Estimates and Judgments

The preparation of financial statements in conformity with the recognition and measurement principles of IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions

affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements. Further future periods are also affected.

#### d. Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading, or
- Expected to be realized within twelve months after the reporting period other than for (a) above, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period other than for (a) above, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

#### e. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Group categorizes assets and liabilities measured at fair value into one of three levels as follows:

- **Level 1 — Quoted (unadjusted)**

This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

Level 2 inputs are inputs other than quoted prices included

within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in markets that are not active.
- Inputs other than quoted prices that are observable for the asset or liability.
- Market – corroborated inputs.

- **Level 3**

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### f. Property, Plant and Equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. Property, Plant and Equipment are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT/GST) and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

Property, Plant, Equipment and Intangible Assets are not depreciated or amortized once classified as held for sale.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided for on straight line method on the basis of useful life. On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the primary period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The useful life of property, plant and equipment are as follows:-

Asset Class	Useful Life
Building	45 Years
Plant & Machinery	10 Years
Furniture & Fixture	10 Years
Computers and Office Equipment	03 Years
Vehicles	08 Years



An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

#### g. Intangible Assets

All expenditure on intangible items is expensed as incurred unless it qualifies as intangible assets. The carrying value of intangible assets is assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of Profit & Loss.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets are amortized on straight line basis over a period ranging between 2-5 years which equates its economic useful life.

The Group has not purchased or self-created any intangible assets hence no intangible assets is recognized. The Intangible assets shall be recognized as per IND AS 38, on purchase of intangible assets or self-created if, and only if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

#### h. Inventories

- (a) Inventory of Land and construction/development are valued at cost or net realizable value, whichever is lower. Cost of land purchased/acquired by the Group include purchase/acquisition price plus stamp duty and registration charges etc. Construction/development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land /construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

- (b) Inventory of Shares and Derivatives is determined at Cost or net realizable value whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale and certified by the Management.

#### i. Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the

date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### j. Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprises of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in values. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

#### k. Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of other entity. The financial instruments are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial instruments at initial recognition.

##### i) Financial Assets

##### Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity: -

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

##### Debt instruments at amortized cost: -

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a. Financial assets are held within a business model whose objective is to hold these assets to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

##### Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL:**

Any debt instrument, that does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### **Equity investments (Other than investment in subsidiary)**

All other equity investments are measured at fair value. For Equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### **De-recognition of financial assets:**

A financial asset is de-recognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where

the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **Impairment of financial assets:**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix considers historical credit loss experience and is adjusted for forward looking information. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

#### **ii) Equity Instruments and Financial Liabilities:**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

##### **Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities, Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

#### **iii) Financial liabilities:**

##### **Initial Recognition:**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

##### **Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

##### **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

##### **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss

when the liabilities are derecognized as well as through the EIR amortization process.

#### **Financial Guarantee Contracts**

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **De-recognition of financial liabilities:**

Financial liabilities are de-recognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gains/ (losses).

#### **I. Provisions, Contingent Liabilities and contingent Asset**

- i) A provision is recognized when the Group has a present obligation because of past events and it is probable that an outflow of resource will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the balance sheet date. When appropriate, the time value of money is material, provision is discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.
- ii) Contingent Liability are disclosed in respect of possible obligation that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability also arises, in rare cases, where a liability cannot be recognized because it cannot be measured reliably. Contingent Liability is disclosed in the financial statements by way of note to accounts where the possibility of an outflow of resources embodying economic benefits is remote. (Refer Note-37)
- iii) Contingent asset is disclosed in the financial statements by way of note to accounts where the economic benefits are probable.

#### **m. Income tax (IND-AS 12):**

Income tax comprises of current and deferred income tax. Income tax is recognized as an expense or income in the Statement of Profit and Loss.

##### **Current income tax:**

Current income tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

##### **Deferred Tax:**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognized for all deductible temporary differences between the financial

statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Such assets are reviewed at each Balance Sheet date to reassess realization, deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent it is probable that the Group will pay normal income tax during the specified period.

#### **n. Revenue Recognition:**

The Group recognizes revenue in accordance with IND AS 115. Revenue is recognized upon transfer of control of promised products or services to the customers in an amount that reflects the consideration that the Group expects to receive in exchange of those products or services. The Group presents revenues net of indirect taxes in its statement of Profit and Loss.

#### **i) Revenue from Real Estate**

Revenue from constructed properties is recognized in accordance with the "Guidance Note on Accounting for Real Estate Transactions" ('Guidance Note'). As per this Guidance Note, the revenue has been recognized on percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost, provided the conditions specified in Guidance Note are satisfied.

Revenue from sale of land and plots is recognized in financial year in which agreement to sell / application form is executed and there exist no uncertainty in the ultimate collection of consideration from buyer. In case there is remaining substantial obligation as per agreement to sell the revenue is recognized as per percentage of completion method.

Revenue from Common Area Maintenance Charges is recognized on accrual basis and in accordance with the respective agreement.

#### **ii) Revenue from Textile Business**

Revenue from the textile business during ordinary activities is measured at the fair value of consideration received or receivable, net of returns, trade discount and volume rebate. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

#### **iii) Revenue from Trading of Shares**

Revenue from the trading of share business during ordinary activities is measured at the fair value of consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

**o. Other Income:**

**i) Dividend Income**

Dividend income is recognized in profit or loss on the date on which the entity's right to receive payment is established.

**ii) Interest Income**

Interest income is recognized using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payment or receipt through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset, or
- The amortized cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**p. Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period to get ready for their intended use are capitalized as part of the cost of that asset.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**q. Leases**

**As a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**As a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**r. Employee Benefit Expense**

**Short term employee benefits:-**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current

employee benefit obligations in the balance sheet.

#### **Long-Term employee benefits**

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date

#### **Post-employment obligations**

##### **i. Defined contribution plans**

Provident Fund and employees' state insurance schemes

All employees of the Group are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Group are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India

The Group's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Group has no further obligations under these plans beyond its monthly contributions.

##### **ii. Defined Benefits Gratuity plan**

The Group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Group. The Group provides for the Gratuity Plan based on actuarial valuations in accordance with Indian Accounting Standard 19 (revised), "Employee Benefits". The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Defined retirement benefit plans comprising of gratuity, un-availed leave, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The Group has policy of expiry of un-availed leave at end of the financial year, hence no provision is required for leave encashment.

##### **iii. Actuarial gains and losses are recognized in OCI as and when incurred.**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement, comprising actuarial gains and losses, the

effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

#### **Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.

##### **s. Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

##### **t. Segment Reporting**

Operating segments are reported in a manner consistent with the internal financial reporting provided to the Chief Operating Decision Maker (CODM) i.e. Board of Directors. CODM monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The primary reporting of the Group has been performed on the basis of business segments. The analysis of geographical segments is based on the areas in which the Group's products are sold or services are rendered.

#### **Allocation of common costs:**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### **Unallocated items:**

The Corporate and other segment include general corporate income and expense items, which are not allocated to any business segment.

##### **u. Cash Flow Statement**

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the Group are segregated.

##### **v. Exceptional Items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

## 4. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT

(Amount in Lakhs)

Particulars	Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Computers	Intangible Assets	Vehicles	Total
As At March 31, 2021	207.38	157.11	54.82	27.25	6.35	11.16	311.97	776.05
Additions	69.95	22.15	0.50	8.84	1.24		97.67	200.35
Disposal	186.20	2.74	-	-			73.14	262.08
As At March 31, 2022	91.14	176.52	55.32	36.09	7.59	11.16	336.50	714.31
Depreciation								
As At March 31, 2021	11.04	51.59	35.99	20.63	5.20	6.66	143.32	274.44
Additions	0.42	11.98	3.61	3.25	1.02	1.78	31.84	53.89
Disposal	0.15	-	-	-				0.15
As At March 31, 2022	11.30	63.58	39.60	23.88	6.23	8.44	175.16	328.18
Net Carrying Value								
As At March 31, 2022	79.83	112.95	15.72	12.21	1.36	2.72	161.34	386.14

## 5. Non-Current Financial Assets – Investments

Particulars	As at 31st Mar, 2022	As at 31st March, 2022
Investments - Unquoted		
- Investment in Equity Instruments-Equity Share		1,108.95
Total		1,108.95
Pursuant to Scheme of Amalgamation of RSML, RIPL and HB FL (Refer note 34)		

## Non-Current Financial Assets - Investments

Particulars	Face Value per share	As at 31st Mar, 2022	
		No. of Shares	Amount
Financial assets measured at FVTOCI			
Investment in equity instruments			
Unquoted Equity Shares			
Femella Fashions Ltd.	10	422,607	1,107.23
Kishan Chand & Co Oil Industries Ltd.	10	7,238	0.72
Vishal Udyog International Ltd.	100	1,000	1.00
Shivalik Securities Pvt. Ltd.	10	-	-
Total Investment measured at FVTOCI			1,108.95

## Note:

Aggregate amount of quoted investment	
Aggregate market value of quoted investment	
Aggregate amount of unquoted investment	1,108.95
Aggregate amount of impairment in value of investments	

## 6. Non-Current Financial Assets – Others

Particulars	As at 31st March 2022
Fixed Deposits with Bank (Maturity more than 12 months)	2.82
Unsecured, considered good;	
Security Deposits	24.82
Total	27.64

\* Represents Rs.2.82 Lacs as margin money against Bank Guarantee issued to Punjab Pollution Control Board for amounting Rs. 2 Lacs, to be read along with Note no 35

\*\* Security Deposits primarily include deposits given towards electricity, telecommunication and others.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**
**7. Deferred Tax Assets (Net)**

Particulars	As at 31st March 2022
<b>A. Deferred Tax Assets</b>	
Related to Unabsorbed Depreciation & Brought Forward Losses	160.19
Others	13.72
(A)	173.91
<b>B. Deferred Tax Liability</b>	
Related to Depreciation on Fixed Assets and Amortisation	3.63
(B)	3.63
<b>Net Deferred Tax Assets / (Liability) (C) = (A)-(B)</b>	170.28

**8. Inventories.**

Particulars	As at 31st March 2022
<b>Stock-in-Trade</b>	
Real Estate (Plot/ Land)	481.80
Shares	357.12
Unbilled Revenue	5,493.90
<b>Total</b>	6,332.81

\*Project Expenses of Rs. 99.51 Lacs for Land Development Charges for Hampton Court project included in Stock of Real Estate.

**9. Current Financial Assets – Investments**

Particulars	As at March 31, 2022
<b>Trade Investments</b>	
Investments in Equity Instruments-Equity shares	
<b>Quoted</b>	
Master Trust Ltd.	1.42
Nahar Industrial Ent. Ltd	0.66
Nahar Ploy Films Ltd	2.36
Nahar Spinning Mills Ltd	1.68
R.S.Petro Products Ltd	0.10
<b>Total</b>	6.22

**Current Financial Assets - Investments**

Particulars	Face Value per share	As at 31st Mar, 2022	
		No. of Shares	Amount
<b>Financial assets measured at FVTOCI</b>			
Investment in equity instruments			
Quoted Equity Shares			
Master Trust Ltd.	10	1,100	1.42
Nahar Industrial Ent. Ltd	10	400	0.66
Nahar Ploy Films Ltd	10	420	2.36
Nahar Spinning Mills Ltd	10	330	1.68
R.S.Petro Products Ltd	10	500	0.10
<b>Total Investment measured at FVTOCI</b>		2,750	6.22

**Note:**

Aggregate Cost of quoted investment	1.03
Aggregate market value of quoted investment	6.22
Aggregate Cost of unquoted investment	-
Aggregate Cost of impairment in value of investments	-

\* Quoted Investments in Equity Shares have been valued as per the Closing Trading price (BSE) as on 31.03.2022 which are as under :

Name of the Company	Closing Trading price (BSE) as on 31.03.2022
Master Trust Ltd.	129.35
Nahar Industrial Ent. Ltd	165.00
Nahar Ploy Films Ltd	560.85
Nahar Spinning Mills Ltd	510.25
R.S.Petro Products Ltd	20.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

### 10. Trade Receivables

Particulars	As at 31st March 2022
Trade Receivables Undisputed - considered good	6,221.36
Trade Receivables Undisputed - considered Doubtful	-
Less: Allowance for expected credit loss	-
Trade Receivables Disputed - considered Good	-
Trade Receivables Disputed - considered Doubtful	-
Less: Allowance for expected credit loss	-
<b>Total</b>	<b>6,221.36</b>
<b>Break-up of security details</b>	
(i) Secured, considered good;	-
(ii) Unsecured, considered good;	6,221.36
(iii) Doubtful	-
	<b>6,221.36</b>
Less : Impairment allowance for trade receivables	-
<b>Total</b>	<b>6,221.36</b>

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

The movement in allowance for expected credit loss and credit impairment is as under:-

Particulars	As at 31st March 2022
<b>Opening Balance</b>	-
Additions	-
Write Off (net of recovery)	-
<b>Closing balance</b>	-

#### Consolidated Balance As at 31st March 2022

Particulars	Undisputed - Good	Undisputed - Doubtful	Disputed - Good	Disputed - Doubtful
Less than 6 months	6,158.29	-	-	-
6months - 1 Year	-	-	-	-
1 - 2 Years	63.07	-	-	-
2-3 Years	-	-	-	-
More than 3 Years	-	-	-	-
<b>TOTAL</b>	<b>6,221.36</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 11. Cash and Cash Equivalents ("C & CE")

Particulars	As at 31st March 2022
Balances with banks-In current accounts	576.03
Cash in hand	23.60
<b>Total</b>	<b>599.63</b>

### 12. Loans

Particulars	As at 31st March 2022
Loans and Advances to Related Parties	1,030.25
Loans and Advances to Other Body Corporate	651.95
Loans and Advances to Others	-
	<b>1,682.20</b>
Less: Impairment allowance for Loan & Advance receivable	-
<b>Total</b>	<b>1,682.20</b>
<b>Sub-classification of Loans:</b>	
(i) Loans Receivables considered good - Secured;	-
(ii) Loans Receivables considered good - Unsecured;	1,682.20
(iii) Loans Receivables which have significant increase in Credit Risk; and	-
(iv) Loans Receivables - credit impaired	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

### 13. Current Tax Assets (Net)

Particulars	As at 31st March 2022
Income Tax Against Apeels (A.Y. 2017 -18)	10.00
GST Receivable	55.29
Income Tax Refund Receivables (Earlier Years)	31.37
<b>Total</b>	<b>96.66</b>

### 14. Other Current Financial Assets

Particulars	As at 31st March 2022
Prepaid Expenses	23.33
Advances to Suppliers	952.23
Fixed Deposits (With Maturity less than 12 months)	700.50
Balance with Government Authorities	65.44
Imprest A/c	1.69
Others	578.72
<b>Total</b>	<b>2,321.92</b>

\* Fixed Deposits Rs. 706.49 Lacs pledged against Bank Overdraft Facility with Axis Bank Limited for Amount Rs. 679.00 Lacs

### 15 Equity Share Capital

Particulars	As at 31st March 2022
<b>Authorised Share Capital*</b> 28,150,000 equity shares of Rs. 10/- each	2,815.00
<b>Issued Share Capital</b> 2,46,10,465 equity shares of Rs. 10/- each	2,461.05
<b>Subscribed and fully paid-up shares</b> 2,44,42,915 equity shares of Rs. 10/- each	2,444.29
<b>Total</b>	<b>2,444.29</b>
<b>During the Year 12,22,145 Debentures converted into Equity shares of Rs 10/- each at a premium of Rs 12/- each.</b>	

#### a) Terms/rights attached to equity shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. Each Equity holder is eligible for dividend on pro-rata basis. The dividend, if any, declared by the Board is paid after obtaining shareholders' approval in ensuing AGM.

<b>b)</b>	<b>Reconciliation of Equity Shares Outstanding at the beginning and at the end of year</b>	<b>31.03.2022</b>
	Particulars	
	Equity shares at the beginning of the year	11,590,958
	Add: Shares Issued	12,851,957
	Less: Shares Cancelled	-
	<b>Equity shares at the end of the year</b>	<b>24,442,915</b>

\*Shares Issued during the year Construe Debentures Converted into Equity Shares.

#### c) Shareholders holding more than 5 percent of Equity Shares in the Company

Name of Shareholder	As at 31st March 2022 No. of share held
Sh. Sanjev Arora	7,893,978 32.30%
Findoc Finvest Pvt Ltd	7,219,390 29.54%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

## d) Shareholding of Promoters

Promoter's Name	No. of Shares	% of Total Shares	%Change during the year
Sanjeev Arora	78,93,978	32.30	226.06
Kavya Arora	7,13,455	2.92	(36.95)
Sandhya Arora	4,04,288	1.65	(17.26)
Ketki Arora	2,86,893	1.17	(36.90)
Sanjeev Arora HUF	1,89,442	0.78	(36.99)
Guneet Arora	19,303	0.08	(35.66)
Aria Arora	4	-	100.00
Findoc Finvest Private Limited	72,19,390	29.54	100.00
Femella Fashions Ltd.	8,07,760	3.30	106.31

## 16. Other Equity

Particulars	As at 31st March 2022
Securities Premium	1,707.24
Retained Earnings	3,856.98
Capital Reserve	2,846.63
Revaluation Reserve	110.67
Equity Component of Debenture	77.13
Other Comprehensive Income	(0.87)
<b>Total</b>	<b>8,597.78</b>

## (i) Securities Premium

Particulars	As at 31st March 2022
<b>Opening Balance</b>	1,560.58
Increase/(Decrease) during the year	146.66
<b>Closing Balance</b>	<b>1,707.24</b>

## (ii) Retained Earnings

Particulars	As at 31st March 2022
<b>Opening Balance</b>	1,477.50
Changes in accounting policy or prior period errors	-
Restated balance at the beginning of the year	-
Net profit/(loss) for the year	2,379.47
<b>Closing Balance</b>	<b>3,856.98</b>

## (iii) Capital Reserves

Particulars	As at 31st March 2022
Opening Balance	2,846.63
Increase/(Decrease) during the year	-
<b>Closing Balance</b>	<b>2,846.63</b>

## (iv) Revaluation Reserves

Particulars	As at 31st March 2022
Opening Balance	110.67
Increase/(Decrease) during the year	-
<b>Closing Balance</b>	<b>110.67</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

### (v) Equity Component of Debenture

Particulars	As at 31st March 2022
<b>Opening Balance</b>	
Increase/(Decrease) during the year	77.13
<b>Closing Balance</b>	<b>77.13</b>

### (vi) Other Comprehensive Income

Particulars	As at 31st March 2022
<b>Opening Balance</b>	(0.87)
Items of Other Comprehensive Income	
Remeasurement of Defined benefit plans (Including Tax Impact)	
Change in value of Equity Instruments Designated through OCI	
<b>Closing Balance</b>	<b>(0.87)</b>

### 17 Non-Current – Borrowings

Particulars	As at 31st March, 2022
<b>Secured</b>	
Loan from Bank (Secured Against Vehicles)	92.60
Unsecured Optionally Convertible Debentures	647.43
	-
<b>Total</b>	<b>740.03</b>

Vehicle Loan Rs.125.87 Lacs are secured by way of Hypothecation of respective Vehicle. These Loans are Repayable in equated Monthly Installments and shall be repayed by 2026, Interest Rate vary from 8.35-9.51%p.a.

During the year the company has issued 42 Lacs Unsecured Optionally Fully Convertible Debentures (OFCD) as issue price of Rs. 22/- each having face value of Rs.10/- each OFCD at a premium of Rs. 12/- each. At the option of the investor each OFCD can be converted into 1 equity share of the company. Applicable rate of interest is 0%. OFCD can be converted after 6 months.

Repayment Schedule	Amount
2022-23	33.27
2023-24	36.11
2024-25	30.92
2025-26	22.00
2026-27	3.57

### 18 Non-Current Financial Liabilities – Others

Particulars	As at 31st March, 2022
<b>Unsecured</b>	
Security Deposits	89.44
<b>Total</b>	<b>89.44</b>

\* Security Deposits Represents interest free deposits received from the allottees against electricity connection and facility maintenance

### 19 Non-Current Liabilities – Provision

Particulars	As at 31st March, 2022
Provision for Employee Benefits	
Gratuity	16.91
<b>Total</b>	<b>16.91</b>

\* As per Actuarial Certificate

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

## 20 Current - Borrowings

Particulars	As at 31st March, 2022
<b>Unsecured</b>	
Loan from Bank (Overdraft against Fixed Deposits)	212.48
Loan from Related Parties	28.47
Loan from Others	120.00
Current Maturities of Long-Term Debts;*	33.27
<b>Total</b>	<b>394.22</b>

\* Current Maturities of Long - term Debts represent portion of vehicle loans amounting to Rs. 33.27 Lakhs, which is payable within a period of 12 months. The vehicle loans from banks are secured by way of hypothecation of respective assets.

## 20A Related Party Disclosures (Partywise)

Type of Borrower	Amount of Loan or Advance in the nature of Loan Outstanding	% of Total Loans and Advances in the nature of Loans
<b>RELATED PARTIES</b>		
Arisudana Industries Limited	7.67	27%
Kamal Oil & Allied Industries	20.80	73%
<b>TOTAL</b>	<b>28.47</b>	<b>100%</b>

## 21 Trade Payables

Particulars	As at 31st March, 2022
total outstanding dues of micro enterprises and small enterprises ; and*	-
total outstanding dues of creditors other than micro enterprises and small enterprises	141.59
<b>Total</b>	<b>141.59</b>

Trade Payables Includes Rs. Nil Payables to Directors and their Related Parties.

## Balance As at 31st March 2022

Particulars	MSME	Others	Disputed MSME	Disputed Others
Less than 1 Year	-	141.57	-	-
1-2 Years	-	0.02	-	-
2-3 Years	-	-	-	-
More Than 3 Years	-	-	-	-
<b>Total</b>	-	<b>141.59</b>	-	-

## 22 Current Financial Liabilities – Others

Particulars	As at 31st March, 2022
Other Payables	7.20
- Salaries & Wages payable	8.49
- Expenses Payable	852.82
- Payable to Auditor	3.15
- Director's Remuneration Payable	1.48
<b>Total</b>	<b>873.14</b>

Director's Remuneration & Salaries Payables Includes Rs.1.48 Lacs Payables to Directors and their Related Parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**
**23 Current Tax Liabilities – Provision**

Particulars	As at 31st March, 2022
Provision for Income Tax (A.Y. 2022 -23)	123.01
<b>Total</b>	<b>123.01</b>

**24 Current Liabilities – Others**

Particulars	As at 31st March, 2022
Advance from Customers	892.40
Statutory Dues Payable	35.20
<b>Total</b>	<b>927.60</b>

Advance from Customers Include Rs. 4.36 Lacs from Related Parties.

**25 Current Liabilities – Provision**

Particulars	As at 31st March, 2022
Provision for Corporate Social Responsibility	14.42
Provision for Employee Benefits* Gratuity	40.24
<b>Total</b>	<b>54.66</b>

\* As per Actuarial Certificate

**26 Revenue from operations**

Particulars	For the year ended 31st March, 2022
Revenue from Real Estate Activities	7,156.72
Revenue from Sale of Fabrics	29.43
Revenue from Sale of Shares	10,952.83
Revenue from Sale of Other Products	371.15
<b>Total</b>	<b>18,510.12</b>

**27 Other Income**

Particulars	For the year ended 31st March, 2022
<b>Interest Income</b>	
From FDR	7.35
From Others	152.17
Profit/Loss on Derivatives	1,170.73
Dividend Received	0.86
Sale A/c Verka Both	0.13
Misc Income	66.18
Discount Received	2.51
Labour Cess Received	24.98
Balance Written Off	0.20
<b>Total</b>	<b>1,425.11</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**
**28 Purchase of Stock-in-Trade**

Particulars	For the year ended 31st March, 2022
Purchase of Stock-in-Trade	
Land	247.88
Knitted Cloth	29.43
Shares	10,759.35
Other Products	342.43
Project Development Expenses	-
<b>Total</b>	<b>11,379.09</b>

**29 Changes In Inventories of Stock-In-Trade**

Particulars	For the year ended 31st March, 2022
Opening Stock	
Land	380.38
Shares	464.04
WIP	3,213.49
	<b>4,057.90</b>
Closing Stock	
Land	395.28
Shares	357.12
WIP	5,493.90
	<b>6,246.29</b>
<b>Total</b>	<b>(2,188.39)</b>

**30 Employee Benefits Expenses**

Particulars	For the year ended 31st March, 2022
*Salaries and Bonus	279.49
Contribution to Provident and Other Funds	3.54
Gratuity Paid	4.32
Staff Welfare	9.67
<b>Total</b>	<b>297.02</b>

\*Includes Directors Remuneration Rs.205.66 Lacs

\*Includes Directors Sitting Fee Rs. 2.34 Lacs , Director's Conveyance Allowances Rs. 0.60 Lacs, Director's House Rent Allowances Rs.3.08 Lacs, Special Allowance to Directors Rs.1.95 Lacs, TDS on Non Monetary Benefit (Director) Rs.6.24 Lacs

**31 Finance costs**

Particulars	For the year ended 31st March, 2022
Interest to Banks	0.37
Interest to Others	89.18
Bank Charges	7.48
Interest on Income Tax	1.25
Other Finance Charges	12.21
<b>Total</b>	<b>110.48</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**
**32 Other Expenses**

Particulars	For the year ended 31st March, 2022
Advertisement	58.36
Electricity Expenses	21.08
Consumables	0.54
Generator Expenses	1.73
Fee & Taxes	49.27
Listing Fee	3.48
Freight Expenses	16.03
Insurance Expenses	5.27
Audit Fee	3.50
Legal Expenses	11.01
Professional Charges	97.97
Vehicle Expenses	15.08
Postage & Telegram	1.17
Telephone Exp	3.94
Rent Paid	63.20
Rent (Ludhiana Office)	6.80
Conveyance	7.38
Director Travelling Exp.	18.91
Travelling Exp.	9.57
Electric Repair	0.47
Site Expenses	0.85
Petrol Expenses	1.02
General Repair	2.79
Business Promotion	19.73
Sales Promotion	45.27
Commission & Brokerage	223.63
AGM Expenses	0.52
Computer & Software Expenses	1.98
Demat Charges	0.02
Diwali Exp.	1.51
Gurgaon Office Expenses-312	2.17
General Exp.	1.95
ERP AMC Charges	1.82
Labour Charges	0.08
Loss on Sale of Fixed Asset	76.82
Maintenance Charges	8.05
Meter Testing Expenses	0.44
Misc. Exp.	1.47
Office Expenses	20.65
Other Charges-Shares	4.16
Photo Copier Exp.	0.34
Printing & Stationery	3.97
Subscription & Membership	4.17
Watch & Wards	17.44
Website Expenses	1.17
Water & Sewarge	0.04
GST Late Filing Fee	0.37
Audio Video Exp	0.20
Project Development Expenses	12.99
CSR Expense	14.42
<b>Total</b>	<b>864.79</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**
**33. Earning per Share (EPS) - In accordance with the Indian Accounting Standard (Ind AS-33)**

Particulars	For the year ended 31st March, 2022
<b>Basic Earnings Per Share</b>	
Profit /(Loss) After Tax	<b>2,379.10</b>
Profit Attributable to Ordinary Shareholders	<b>2,379.10</b>
Weighted Average Number of Ordinary Shares (used as denominator for calculating Basic EPS)	<b>15,674,008</b>
Nominal Value of Ordinary Share	<b>Rs. 10/-</b>
Earnings Per Share - Basic (In Rs.)	<b>15.18</b>
<b>Diluted Earnings Per Share</b>	
Profit /(Loss) After Tax	<b>2,379.10</b>
Profit Attributable to Ordinary Shareholders	<b>2,379.10</b>
Weighted Average Number of Ordinary Shares (used as denominator for calculating Diluted EPS)	<b>18,586,595</b>
Nominal Value of Ordinary Share	<b>Rs. 10/-</b>
Earnings Per Share - Diluted (In Rs.)	<b>13.08</b>



## NOTES Continue.....

### 34. AMALGMATION OF RITESH SPINNING MILLS LIMITED. RITESH IMPEX PRIVATE LIMITED AND H.B. FIBRES LIMITED

- (a) Pursuant to Scheme of Amalgamation (Scheme) amongst Ritesh Spinning Mills Limited, Ritesh Impex Private Limited and H. B. Fibres Limited with the company under section 230 to 232 of the Companies Act, 2013 sanctioned by National Company Law Tribunal, New Delhi Bench on 16th August, 2021 all assets and liabilities are transferred and vested in the company with appointed date of 1st April, 2018.
- (b) The amalgamation has been accounted in the books of account of the Company following pooling of interest method and in accordance with Ind AS 103 'Business Combination' read with Appendix C to Ind AS 103 specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the accounting treatment has been given as follows:
  - i. The assets, liabilities and reserves of Ritesh Spinning Mills Limited, Ritesh Impex Private Limited and H. B. Fibres Limited have been incorporated in the financial statements at the carrying values.
  - ii. Authorized Share Capital of Rs. 210 Lacs of Ritesh Spinning Mills Ltd., Rs. 5 Lacs of Ritesh Impex Pvt. Ltd. and Rs.500 Lacs H B Fibre Ltd. stand transferred as authorised share capital of the company.
  - iii. Suspense Share Capital is created for issue of share capital to Shareholders and Debenture-holders of Ritesh Spinning Mills Ltd., Ritesh Impex Private Limited and H. B. Fibres Ltd. for Rs. 746.89 Lacs, Rs. 189.65 Lacs and Rs. 140 Lacs respectively.
  - iv. The difference between book value of shares and debentures of Ritesh Spinning Mills Ltd., Ritesh Impex Private Limited and H. B. Fibres Ltd. and face value of Suspense Share Capital to be issued amounting to Rs 1853.56 Lacs has been adjusted to capital reserve of the Company as Gain on Bargain Purchase.
  - v. Inter-Company balances and transactions have been eliminated.
  - vi. The balance of the retained earnings, general reserve and revaluation reserve appearing in the financial statements of Ritesh Spinning Mills Ltd., Ritesh Impex Private Limited and H. B. Fibres Ltd. have been aggregated with corresponding balance appearing in the financial statements of the Company.
  - vii. The financial information in the financial statements in respect of prior period have been restated as if business combination had occurred from the beginning of the preceding period in the financial statements irrespective of actual date of combination in accordance with Ind AS 103

### 35. Critical Accounting Estimates and Judgments

The estimates and judgments used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgments are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates—even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the financial statements in the period in which they become known.

The areas involving critical estimates, assumptions or judgments are:

1. Useful lives of property, plant and equipment's Note 4
2. Measurement defined benefit obligation Note 19 & 25
3. Estimation of provisions & contingent liabilities refer Note 23 & 37
4. Estimation of fair value of unlisted securities Note 5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

36. During the year, Group has recognized the following amounts in the financial statements as per Ind AS19 "Employees Benefits" issued by the ICAI:

#### Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognized in the same manner as gratuity.

Table Showing Changes in Present Value of Obligations: .

**Table Showing Changes in Present Value of Obligations:**

<b>(In Lakhs)</b>	
Period	From: 01-04-2021 To: 31-03-2022
Present value of the obligation at the beginning of the period as provided by the Group	49.65
Interest cost	3.48
Current service cost	4.32
Past Service Cost	0
Benefits paid (if any)	0
Actuarial (gain)/loss	(0.30)
Present value of the obligation at the end of the period	57.15

**(The amount to be recognized in the Balance Sheet):**

Period	As on: 31-03-2022
Present value of the obligation at the end of the period	57.15
Fair value of plan assets at end of period	0
Net liability/(asset) recognized in Balance Sheet and related analysis	57.15
Funded Status - Surplus/ (Deficit)	(57.15)

**Expense recognized in the statement of Profit and Loss:**

Period	From: 01-04-2021 To: 31-03-2022
Interest cost	3.48
Current service cost	4.32
Past Service Cost	0
Expected return on plan asset	(0)
Expenses to be recognized in P&L	7.80

**Other comprehensive (income) / expenses (Remeasurement)**

Period	From: 01-04-2021 To: 31-03-2022
Cumulative unrecognized actuarial (gain)/loss opening. B/F	22.50
Actuarial (gain)/loss – obligation	(0.30)
Actuarial (gain)/loss - plan assets	0
Total Actuarial (gain)/loss	(0.30)
Cumulative total actuarial (gain)/loss. C/F	22.20

**Actuarial assumptions provided by the Group and employed for the calculations are tabulated:**

Discount rate	7.00 % per annum
Salary Growth Rate	5.00 % per annum
Mortality	IALM 2012-14
Withdrawal rate (Per Annum)	5.00% p.a.

**Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.**

01 Apr 2022 to 31 Mar 2023	40.23
01 Apr 2023 to 31 Mar 2024	0.44
01 Apr 2024 to 31 Mar 2025	0.44
01 Apr 2025 to 31 Mar 2026	2.65
01 Apr 2026 to 31 Mar 2027	0.31
01 Apr 2027 Onwards	10.44

**Sensitivity Analysis:**

Period	As on: 31-03-2022
Defined Benefit Obligation (Base)	54.52 @ Salary Increase Rate : 5%, and discount rate :7%
Liability with x% increase in Discount Rate	53.24; x=1.00% [Change (2)% ]
Liability with x% decrease in Discount Rate	56.00; x=1.00% [Change 3% ]
Liability with x% increase in Salary Growth Rate	54.90; x=1.00% [Change 1% ]
Liability with x% decrease in Salary Growth Rate	54.32; x=1.00% [Change 0% ]
Liability with x% increase in Withdrawal Rate	54.72; x=1.00% [Change 0% ]
Liability with x% decrease in Withdrawal Rate	54.30; x=1.00% [Change 0% ]

**37. Contingencies**
**Contingent Liabilities in respect of:**

(Amounts in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022
Guarantees given by banks on behalf of the Group	2.00
Claims against the Group not acknowledged as debt in financial statements	Nil
Impact of pending litigations not acknowledged as debt in financial statements	Nil
Income tax Matters not acknowledged as debt in financial statements	908.30
Unexecuted Capital Commitment (Net of Advances)	Nil

- The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position.
- The Group Periodically Review all its long term contracts to assess for any material foreseeable losses, Based on such review wherever applicable, the Group has adequate provisions for these long term contracts in the books of accounts as required under any applicable law/accounting standards
- As at March31, 2022 the Group did not have any outstanding long term derivative Contracts.

**38. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:**

Particulars	As at March 31, 2022
Principal amount due	-
Interest due on above	-
Interest paid during the period beyond the appointed day	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-
Amount of interest accrued and remaining unpaid at the end of the period	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-

Note: The above information and that is given in 'Note -21' Trade Payables regarding Micro and Small Enterprises has been determined on the basis of information available with the Group and has been relied upon by the auditors.

**39. Related Party Disclosures as required by IND AS -24**

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

**(A) DIRECTORS AND KEY MANAGERIAL PERSONNEL OF PARENT COMPANY**

o Sh. Sanjeev Arora	Chairman cum Managing Director
o Sh. Roop Kishor Fathepuria	Whole Time Director
o Sh. Kavya Arora	Whole Time Director & CFO (Upto 06.12.2021)
o Sh. Surinder K Sood	Director
o Sh. Varinder Singh Billing	Director (Upto 28.11.2020)
o Sh. Gurpreet Singh Brar	Director
o Smt. Shweta Sehgal	Director
o Sh. D.P.Reddy	Director
o Sh. Rohit Kumar Maggu	Director
o Sh. Hemant Sood	Director(w.e.f 14/08/2021)
o Ms. Tarandeep Kaur	Company Secretary
o Mr. Deepak Sharma	Chief Financial Officer (w.e.f. 07.12.2021)

**(B) KEYMANAGERIAL PERSONNEL OF FINTON HOMES(SUBSIDIARY)**

o Sh. Chander Shekar	Partner
o Sh. Hemant Sood	Partner

**(C) ENTITIES UNDER CONTROL OF KMP & THEIR RELATIVES**

o Kamal Oil & Allied Industries Ltd
o K P Advisors (Realty) Pvt Ltd
o Femella Fashions Ltd
o Ritesh Rentals (P) Ltd
o Arisudhana Industries Ltd.
o NP Blockhouse Real Estate Pvt. Ltd.
o Findoc Investmart Private Limited
o Findoc Commodities Private Limited
o Findoc Finvest Private Limited
o Kripra Real Estate Private Limited

**OTHERS**

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

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

Sr. No.	Name of Company/Firm/ Individual	Nature of Transaction	Year Ended as on 31.03.2022 (Amount in Lakh Rs.)
1.	Femella Fashions Ltd.	- Loan Given - Loan Received back -Expenses made on behalf of company -Allocated Cost of Common Facility Used -Purchases of Gift Cards	1216.75 1971.43 22.24 29.48 1.48
2.	K P Advisors (Realty) Pvt Ltd.	Loan Given	0.55

Sr. No.	Name of Company/Firm/Individual	Nature of Transaction	Year Ended as on 31.03.2022 (Amount in Lakh Rs.)
3.	Sh. Sanjeev Arora	Salary Income Tax on Non Monetary Perquisites Rent Paid Loan Given Loan Received back Repayment of advance for property Loan Adjusted from Advances Reimbursement of Expense Advance Received for Property Interest Income	120.00 6.24 12.00 315.00 315.00 806.00 1106.00 2.69 21.20 0.40
4.	Sh. Kavya Arora, KMP	Salary Rent Paid Loan Repayment	72.00 12.00 5.50
5.	Mrs. Sandhya Arora	Rent Paid Loan Repayment Service Income	12.00 14.50 0.30
6.	Guneet Arora	Loan Repayment Service Income	5.00 0.30
7.	Sh. Roop Kishore Fathepuria, KMP	Salary Perks & Other Allowances	13.66 5.64
8.	Surinder K Sood	Sitting Fees	0.94
9.	Gurpreet Singh Brar	Sitting Fees	0.58
10	Shweta Sehgal	Sitting Fees	0.42
11	Deva Pampapathi Reddy	Sitting Fees	0.40
12	Tarandeep Kaur	Salary Professional Fee Reimbursement of Expenses	6.24 0.20 2.85
13	Sh. Hemant Sood	Share of Profits Capital contribution	835.05 90.00
14	Sh. Chander Shekar	Share of Profits Capital contribution	835.05 150.00
15	NP Blockhouse Real Estate Pvt. Ltd	Expenses made on behalf of Company Amount Recovered from Company related to Expenses Loan Given	13.87 5.24 63.00
16	Arisudhana Industries Ltd.	Loan Taken Loan Repayment Interest Expense Advance Received for Property Interest Income	370.00 370.00 8.52 70.06 0.47
17	Findoc Commodities Private Limited	Brokerage & Charges	0.41
18	Findoc Investmart Private Limited	Brokerage & Charges	3.71
19	Findoc Finvest Private Limited	OFCDs Issue Loan taken Loan Repayment Conversion of OFCD into Equity Shares	924.00 100.00 100.00 268.87
20	Kriptra Real Estate Private Limited	Purchase	140.00
21	Deepak Sharma	Salary	2.40

## iii) Amount due from/to Related Parties

Particulars	As on 31.03.2022 (Rs.)
i) Due to Related Parties (included in Unsecured Loans & Current Liabilities)	
Arisudana Industries Ltd.	99.75
Kamal Oil and Allied Industries Ltd.	20.80
Kavya Arora	4.40
Roop Kishor Fatehpuria	1.48
Surinder K Sood	0.94
Shweta Sehgal	0.42
D.P Reddy	0.40
Sanjeev Arora	31.46
Sandhya Arora	6.99
Sh. Hemant Sood	2379.16
Sh. Chander Shekar	2171.97
Guneet Arora	7.38
ii) Due from Related Parties (included in Loans & Advances & Sundry Debtors)	
NP Blockhouse Real Estate Pvt. Ltd.	6.65
KP Advisors (Realty) Pvt. Ltd.	1.67
Sanjeev Arora	960.45
Findoc Investmart Private Limited	1606.61
Tarandeep Kaur	0.54

## 40. Expenditure in Foreign Currency : Rs. Nil.

## 41. Segment Reporting as per IND AS 108

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief operating decision maker regularly monitors and reviews the operating result of the whole Group. As defined in Ind AS 108 "Operating Segments", the Group's entire business falls under these Operational segments: -

1. Real Estate
2. Textile Division
3. Trading in shares & Derivatives

## Information about Reportable Segments:

(In Lakhs)

	2021-22				
Particulars	Real Estate	Textile	Shares	Other	Total
Revenue / Sales	7156.72	29.43	10952.83	371.15	18510.12
Results	3464.31	(10.82)	86.56	-	3540.05
Profit before Interest & Finance Cost	3464.31	(10.82)	86.56	-	3540.05
Unallocable Expenses	-	-	-	-	1216.41
Operating Profit	-	-	-	-	2323.64
Interest Expenses	-	-	-	-	110.48
Unallocable Income	-	-	-	-	1796.26
Net Profit	-	-	-	-	4009.42
Assets	17806.86	31.77	1115.17	-	18953.80
Liabilities	3360.60	-	-	-	3360.60
Share Capital	-	-	-	-	2444.29
Reserve & Surplus	-	-	-	-	8597.78
Segment Depreciation	-	-	-	-	54.61
Segment other non-cash expense	-	-	-	-	-
Segment Capital Expenditure	-	-	-	-	-

**42. Financial Instruments bycategory**

(In Lakhs)

Particulars	Level	Mar-22		
		FVTPL	FVTOCI	Amortised Cost
<b>1) Financial Assets</b>				
I) Investments (Note No. 5 & 9)	1	-	1108.95	6.22
II) Trade receivables (Note No. 10)	3	-	6221.36	
III) Cash and Cash equivalents (Note No. 11)	1	-	599.63	
IV) Other receivables (Note No. 6 & 12)	3	-	1709.84	
<b>Total Financial Assets</b>		-		
<b>2) Financial liabilities</b>				
I) Borrowings				
A) From Banks (Note No. 17)	3	-	-	740.03
B) From Others (Note No. 20)	3	-	-	394.22
II) Trade payables (Note No. 21)	3	-	-	141.59
III) Other liabilities (Note No. 18 & 22)	3	-	-	962.58
<b>Total Financial Liabilities</b>		-	-	

**Fair Value measurement**

Fair Value Hierarchy and valuation technique used to determine fair value:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs.

**Significant estimates**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

**43. Financial risk management objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

**MANAGEMENT OF LIQUIDITY RISK**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date. (In Lakhs)

Particulars	Notes Nos.	Less than 12 months	1 to 5 Years	Above 5 Years	Total
<b>As at March 31, 2022</b>					
Borrowings	17,20	394.22	740.03	-	1134.25
Trade payables	21	141.57	0.02	-	141.59
Other liabilities	18,22	873.14	89.44	-	962.58

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>INTEREST RATE RISK</b>		
<p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.</p> <p>a) Group has Fixed deposits with Banks amounting to Rs. 703.32 Lakhs as at March 31st, 2022 Interest Income earned on fixed deposit for year ended March 31st, 2022 is Rs.7.35Lakhs</p> <p>b) Group has Borrowing from Banks amounting to Rs. 740.03Lakhs as at March 31st, 2022 Interest Expenses on such borrowings for the year ended March 31st, 2022 is Rs. 12.58Lakhs</p>	<p>In order to manage its interest rate risk The Group diversifies its portfolio in accordance with the risk management policies.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 1% change in interest rates.</p> <p>a) A 1% increase in interest rates would have led to approximately an additional Rs. 7.03 Lakhs gain for year ended March 31st, 2023 in Interest income. A 1% decrease in interest rates would have led to an equal but opposite effect.</p> <p>b) A 1% increase in interest rates would have led to approximately an additional Rs. 7.40 Lakhs loss for year ended March 31st, 2023 in Interest expense. A 1% decrease in interest rates would have led to an equal but opposite effect.</p>

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

#### Trade Receivables

Customer credit risk is managed by each business unit subject to the Group established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 March 2022, the Group had top 5 customers that owed the Group more than Rs.1665.01 Lakhs and accounted for approximately 26.76% of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 14. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Group's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March, 2022 is the carrying amounts as illustrated in Note 11.

#### Capital management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value..

(In Lakhs)

Particulars	Note	31-Mar-22
Borrowings	17&20	1134.25
`Less : Cash and Cash equivalents	11	599.63
Total Debt		534.62
Equity		11042.07
Net Debt to Equity		4.84%



The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

44. During the year, the Group increased the Authorized Share capital of the Group in conformity with the provisions of the Act. Clause V, The Authorized Share Capital of the Group is Rs. 2815.00 Lakhs (Rupees Twenty eight Crores Fifteen Lacs) divided into 281.50 Lakhs (Two crores Eighty-one Lacs Fifty thousands) Equity shares of the face value of Rs. 10/- (Rupees Ten only) each. The corresponding form for increase in authorized share capital has been duly filed.
45. During the year, the issuance of Optionally Fully Convertible Debentures by way of preferential issue on private placement basis in accordance with provisions ascribed in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2019 was approved in Board Meeting dated 15th February, 2021. The Board of Directors in their meeting held on April 08, 2021 allotted 42,00,000 (Forty Two Lakh) Optionally Fully Convertible Debentures (OFCD) of the face value of 10/- (Rupees Ten Only) each on private placement basis at an issue price of 22/- (Rupees Twenty Two Only) each i.e. at a premium of 12/- (Rupees Twelve Only) per OFCD.
46. During the previous financial year, an Open Offer for the Acquisition of up to 41,05,650 Equity Shares of Face Value of Rs. 10/- each Constituting 26% of the expanded equity share capital of Ritesh Properties And Industries Limited from the public shareholders of the Group was made by Findoc Finvest Private Limited ("Acquirer") and acquired accordingly.

#### 47. Tax Reconciliation

(In Lakhs)

Particulars	31.03.2022
Net Profit as per Profit and Loss Account (before tax)	4009.41
Current Tax rate (MAT)	25.17%
Current Tax	1009.17
Adjustment:	
Exempt u/s 10	0
Unabsorbed Depreciation/Losses	0
Others	887.32
Tax Provision as per Books	121.85

48. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labor and Employment ('Ministry') has released draft rules for the Code on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.
49. The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment and Right of Use Assets are held in the name of the Group as at the balance sheet date.
50. The Group does not have any Investment Property.
51. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
52. The Group has no transactions with struck-off companies.
53. During the Year, the Group has no charge which is yet to be made register with ROC.
54. Following are the Ratios:

Ratios	Numerator	Denominator	As at 31/3/22
			Ratios
Current ratio	17260.79	2514.22	6.87
Debt-Equity Ratio	1134.25	11042.07	0.10
Debt Service Coverage Ratio	4154.82	396.01	10.49
Return on Equity Ratio	4053.84	11042.07	0.37
Inventory Turnover Ratio	14598.92	3166.41	4.61
Trade Receivable Turnover Ratio	18510.12	3110.68	5.95
Trade Payable Turnover Ratio	18510.12	70.80	261.46
Net Capital Turnover Ratio	18510.12	14746.57	1.26
Net Profit Ratio	4053.84	18510.12	0.22
Return on Capital Employed	4100.21	12176.32	0.34
Return on Investment	4053.84	12176.32	0.33

Note: Being first year of consolidation previous year ratios, variance and reason of change are not applicable.

55. The Group has granted loans or advance in the nature of loan to promoters, directors, KMPs and related parties which repayable on demand are as under:

Type of Borrower	Amount of Loan or advance in the nature of loan outstanding	Percentage of total loans and advance in the nature of loans.
Promoter cum Director	Rs.960.45 Lacs	57.09%
Related Parties	Rs.69.82 Lacs	4.15%

56. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
57. The Company hold 55% share in subsidiary partnership firm Finton Homes, pursuant to the Scheme of Amalgamation as given in note no. 34 above. The Consolidated Financial Statements for the financial year ended March 31, 2022 represent the Company including its subsidiary partnership firm, Finton Homes. This being the first reporting year for the consolidated Financial Statements for the year ended March 31, 2022, corresponding figures of the year ended March 31, 2021 are not applicable and accordingly cash flow statement has not been prepared
58. The Group has not received from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding whether recorded in writing or otherwise that the Group shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
59. The Group has carried out Impairment Test on its Fixed Assets as on March 31, 2022 and the Management is of the opinion that there is no asset for which impairment is required to be made as per IND-AS 36 - "Impairment of Assets".
60. As per Section 135 of the Companies Act, 2013, the company, meeting the applicable thresholds ascribed under section 135 of the aforesaid Act, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility ("CSR") activities in a financial year and if such a company fails to spend the required amount towards CSR activities in a financial year then such unspent amount, unless the unspent amount relates to any ongoing project as referred to in sub-section (6) of section 135, shall be transferred to a fund specified under schedule VII of the Companies Act, 2013 within such time limit as prescribed under section 135 of the Act.
- As per section 135 read with section 198 of the Companies Act, 2013, amount required to be spent by the company during the year was Rs. 14.42 Lacs, being 2% of the average Net Profit of the company. However, the company was unable to spend the amount towards CSR owing to non-availability of suitable projects, therefore, the company will transfer the unspent amount in a fund specified under the Schedule VII of the Act, within a period of six months of the end of the financial year i.e. on or before 30th September, 2022.
61. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
62. The Group has not been declared as a wilful defaulter by any lender who has powers to declare a Group as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved.
63. The Group has utilized funds raised from borrowing from banks & financial institution for the specific purpose for which they were issued and there were no funds which are pending for Utilization for specific purposes.
64. The Group has not obtained working capital limit from banks or financial institution on the basis of security of current assets.
65. The Group does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
66. Corresponding figures of previous year have been regrouped / reclassified wherever deemed necessary and the figures have been rounded off to the nearest rupee.

**For Khandelwal Jain & Co.,**  
**Chartered Accountants**  
**(Firm Registration No. 105049W)**

**(Manish Kumar Singhal)**  
**Partner**  
**M. No. 502570**

**On behalf of the Board**  
**Ritesh Properties & Industries Ltd.**

**(Sanjeev Arora)**  
**(DIN: 00077748)**  
**Chairman Cum**  
**Managing Director**

**(Kavya Arora)**  
**(DIN :02794500)**  
**Executive Director**  
**& Whole Time Director**

**Place: New Delhi**  
**Date: 30/05/2022**

**(Deepak Sharma)**  
**Chief Financial Officer**

**(Tarandeep Kaur)**  
**(ACS42144)**  
**Company Secretary**

# KHANDELWAL JAIN & CO.

## CHARTERED ACCOUNTANTS

**BRANCH OFFICE :**  
GF- 8 & 9, HANS BHAWAN  
1, BAHADUR SHAH ZAFAR MARG,  
NEW DELHI-110 002

**Tel. :** 23370091, 23378795  
23370892, 23378794  
**Web. :** www.kjco.net  
**E-mail:** delhi@kjco.net

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

**Sub: Certificate on the Consolidated Cash Flow Statement for Financial Year Ended on March 31, 2022, of Ritesh Properties and Industries Limited**

Dear Sir,

At the request of M/s Ritesh Properties and Industries Limited, ('the Company') having its registered office at 11/5B, Pusa Road, New Delhi -110060, we have verified the consolidated records of the Company with its subsidiary and other relevant records produced before us for the year ended March 31, 2022. On the basis of such verification and information and explanation given to us, we hereby certify that the Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022 of the Company is as per Annexure - A attached herewith.

This Certificate has been issued at the explicit request of the Company to submit the same with Bombay Stock Exchange.

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No.: 105049W

Manish Kumar Singhal  
Partner  
Membership No.: 502570  
UDIN: 22502570ANXIAG6111



Date: 29/07/2022  
Place: New Delhi

Annexure A

# **RITESH PROPERTIES AND INDUSTRIES LIMITED**

Regd. Office: 11/5B, PUSA Road, New Delhi-110060

CIN: L74899DL1987PLC027050 , Website :- www.riteshindustries.us

E-mail :riteshlimited8@gmail.com Contact No. - +91-9212359076

## **Consolidated Statement of Cash Flow for the period ended 31st March, 2022**

(Amount in ₹ Lakh)

Particulars	For the year ended 31st March, 2022
<b>Cash Flow from Operating Activities</b>	
Net profit / (loss) before tax	4,009.42
Adjustment for :	
Depreciation and Amortisation	54.61
Finance Cost	110.48
Interest Income	(159.53)
Loss / (Profit) on Sale of PPE	76.82
	<b>82.38</b>
<b>Operating cash flow before changes in working capital</b>	<b>4,091.79</b>
Changes in Working Capital:	
Trade & Other Receivables	(2,763.98)
Inventories	(2,274.91)
Provisions	6.09
Other Non-Current Financial Liabilities	7.72
Trade Payables & Other Current Liabilities	(990.07)
	<b>(6,015.15)</b>
<b>Net cash generated from operations before tax</b>	<b>(1,923.35)</b>
Taxation	121.93
<b>Net Cash from/(used) in Operating Activities (A)</b>	<b>(2,045.28)</b>
<b>Cash Flow from Investing Activities</b>	
Purchase of Investments	838.48
(Increase)/Decrease in Fixed Deposits (having	(5.66)
Purchase/Sale of Property, Plant and equipment	(16.24)
Interest Received (net)	159.53
	<b>976.10</b>
<b>Net Cash used in Investing Activities (B)</b>	<b>976.10</b>
<b>Cash Flow from Financing Activities</b>	
Share Issued/Capital Introduced	595.31
Proceeds/(Repayment) of Term Loan	662.61
Equity Component of Debenture	77.13
Finance Cost	(110.48)
	<b>1,224.58</b>
<b>Net Cash generated from Financing Activities (C)</b>	<b>1,224.58</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>155.39</b>
Add: Cash & Cash Equivalents as at beginning of the Year	444.23
<b>Cash &amp; Cash Equivalents as at the end of the Year</b>	<b>599.63</b>

Notes:

1. The above Statement of Cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
2. Figures in brackets represents cash outflows.
3. Components of cash and cash equivalents :-

Particulars	As at 31st March, 2022
Cash on hand	23.60
Balances with scheduled Banks	
- In Current Accounts	576.03
- In Fixed Deposits 0-3 months	-
<b>Cash &amp; Cash Equivalents</b>	<b>599.63</b>

Place :Gurgaon  
Date : 29/07/2022

FOR : RITESH PROPERTIES INDUSTRIES LIMITED

**SANJEEV**  
Digitally signed  
by SANJEEV  
ARORA  
Date: 2022.07.29  
18:20:15 +05'30

(Sanjeev Arora)  
Chairman-Cum-Managing Director  
DIN :00077748  
Hampton Court Business Park,  
NII-95, LDH-CHD Road,  
Ludhiana- 141123

