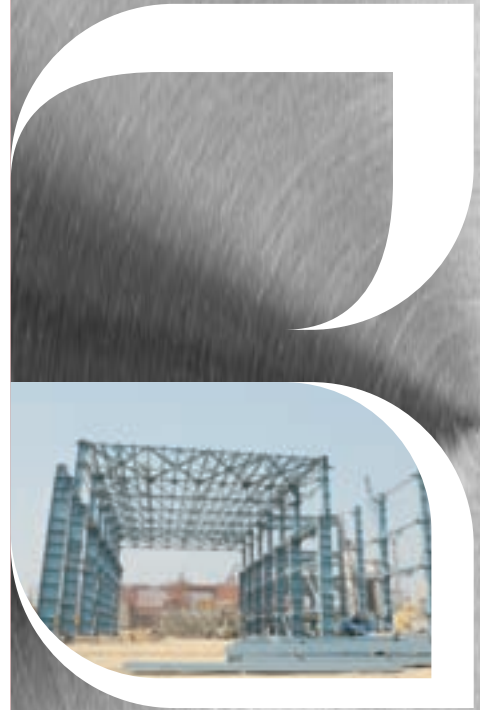
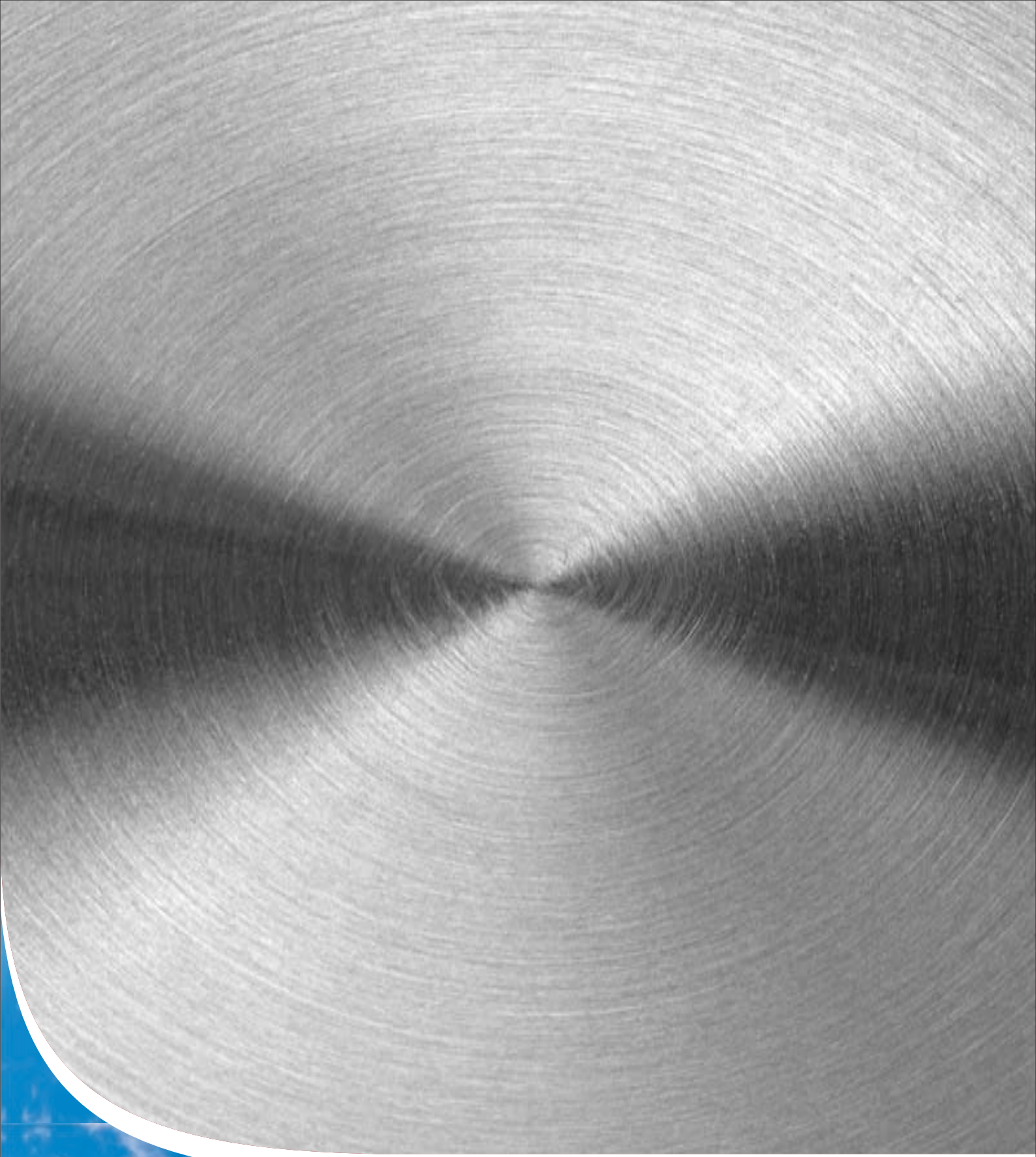


ANNUAL REPORT 2013-14



RICHA INDUSTRIES LIMITED
Certified ISO 9001:2008



ABOUT US

With over two decades of experience, Richa Industries Limited is a business conglomerate operating in diverse industry fields like Textiles, Pre-Engineering Steel Building (PEB) , structural steel etc. From a modest beginning, over the years, RICHA has carved a niche in textile and PEB sector. An ISO 9001:2008 certified Company, Richa Industries is a listed company in Bombay Stock Exchange since 2007.

Technology absorption, strict quality control measures, following safety aspects, adopting eco-friendly measures etc. have made RICHA to attain its present status of a Company with an approximate annual turnover of Rs. 300 crore. Recently, our group company has entered into the AAC block manufacturing to revolutionise building construction in an eco-friendly manner which will support our PEB division in providing total solution.





TEXTILES DIVISION

Richa industries Ltd. was established in the year 1991 with initial foray into textile sector. Over the years, the textile division has undergone an exponential growth to its present stature and today it is one of the largest conglomerates with manufacturing facilities in the northern part of the country in the segment of dyeing, processing and finishing of knitted fabric. To name a few, our major clients are Adidas, United Colours of Benetton, Polo, Puma, Rolex Hosiery, Hella Clothing, Richa Global, Hanyung, CGS, Shahi Exports etc.



PEB SECTOR



Richa forayed into the Pre Engineering Building sector in the year 2008, and today, it is one of the biggest company operating in the northern part of the country. The fully operational state-of-the-art PEB manufacturing unit in Kashipur in Uttarakhand has a manufacturing capacity of 72,000 MT annually (Pro-rata basis) and the Company provides solutions for high tech buildings from concept to commissioning. The strict quality control measures, adoption of most modern and state-of-the-art technology and machineries, innovative designs, adhering strict delivery schedules, off-site inspection of processed goods, on-site inspection during every stage of erection etc. has earned Richa a name to reckon with in the PEB sector. The major clients in the PEB sector are Larsen & Toubro, Essar Steel, Delhi Metro Rail Corporation, Lafarge, Magadh Precision Equipments Ltd., Crompton Greaves, Sunflame, Indiabulls, WIPRO, Soma, Apeejay Surrendra, Lohia etc.





OUR VISION

- To be the world class leader in the niche textile markets we serve.
- To become the leading Engineering and Construction firm in India & overseas by consistently delivering projects that meet international standards.

OUR MISSION



- To exceed our customers' expectations by providing exceptional value as an innovator in the design, manufacturing and delivery of specialty textile products
- To undertake the construction business with a focus on becoming the cost leadership while excellence in every aspect to meet customers' stringent requirements. regarding quality, on-time delivery, safety and environmental concerns.
- To build value for the organization in order to become a unique and distinct firm To remain focused on controlled organizational growth and recognizing



CSR ACTIVITIES

Being a responsible Corporate Citizen, Richa Industries is contributing its might towards sustainable development of the community around its factory. CSR is deeply engraved in the business ethos of RICHA and we undertake many initiatives like organising medical camp, eye check-up camp, free health check-up camps, blood donation camp etc. from time to time. As a part of CSR activities, Kawnra Village has been adopted for basic infrastructure development of road, drainage and electricity. During the last year Company has organized the various camps in which the eye operation for about 100 people was being done and many people get benefit by this and in Blood Donation camp the 500 units of blood was being donated and these programmes was conducted successfully. Apart from that company has also celebrated the Environment Day and tree plantation was being done in the Society. For the welfare of society company has also organized Yoga Camp under which many people were being benefitted and enjoyed the facility's being provided.

In view of the support and appreciation received from the community around us, we are confident of implementing a number of activities under CSR to reach out to the people and make them also a partner in our endeavour towards progress.



Mr. Sushil Gupta
Chairman and Managing Director

CHAIRMAN MESSAGE

Dear Shareholders,

It gives me immense pleasure to reach you once again through this 20th Annual Report of your Company. As we continue scaling new heights, our endeavor to achieve our objectives and fulfill all aspirations. Our focus continues to remain on achieving excellence in all fronts. Over the last few years your company achieve the order worth Rs. 100 Crore in the pre-engineered building segment. In the PEB segment, your company is ranked among the top ten companies in India. your company is one of the first companies in its segment to introduce complete online integration from design to project handover with its in-house developed software steel2Build.

During this year, your company has earned total revenues of Rs. 276.50 crores, which is a small increase from the previous year. This is due to the increase in our sales and the product was growing up in the market. The more efforts are likely to be done during FY 2014-15 to increase the revenue. In spite of the tough competition and difficult business environment prevailing, your Company continues to invest in R&D, latest technologies, commitment to its human resource training programs and do significant CSR activities.

Over the last few years the business scenario and market condition remained volatile and uncertain coupled with reducing GDP, high interest rates and persistent inflation. In some areas, your company has made excellent progress, notably in pre-engineered steel building division and now your company has its reach in more than 120 cities in India.

Growth of the company means growth of the employees, shareholders, consumers and other stakeholders who are associated with the company. Our main focus is on the excellent growth of your company, which in turn will contribute to the growth of our youthful nation. The country is likely to achieve a GDP growth of 5.4% in 2014.

It gives me pleasure to inform that your company has been awarded a full turnkey project by Bihar State warehousing Corporation for building 14 warehouses with a project cost of Rs 45 Crore. With

this project, your company has taken full land development using most advanced technology which ensures incomparable performance in terms of quality and quantity significantly reducing both time and project cost. You will be pleased to know that your Company was recognised by industry, customers and media for excellent performance in various areas. Your company has received many accolades and awards during the year for its best performance. Your Company has been ranked 208, India Fastest Growing Mid-Sized Companies as per Inc. India 500.

Some of our major clients include IOCL, BSWC, DMRC, Magadha Precision Crompton Greaves, Wipro Ltd, Action Construction Equipment (ACE) Cranes, Walco Engineering, Asahi Glass Company Limited and many more in PEB sector and reputed brands like Adidas, Puma, Next and many more in Textile sector. We are one of the fastest growing companies providing building solutions from concept to commissioning and I am sure that the day is not far when we will be providing building solutions to the customers around the globe.

I have great confidence in our strategy, our team, and belief that we are well positioned to continue to grow and thrive in the years ahead.

I would also like to express special thanks to our Bankers namely, Indian Overseas Bank and Corporation Bank for their continued support in difficult economic scenarios.

On behalf of the entire Company and its leadership team, I thank each shareholder for his/her support and commitment to the Company. It is the support of shareholders that has helped Richa climb the stairs of success. I look forward for your continued support as your Company embarks on the next phase of its growth journey which promises to be exciting and rewarding to every stakeholder.

With Best Wishes

Sushil Gupta
Chairman & Managing Director

COMPANY INFORMATION

CIN No. L17115HR1993PLC032108

Board of Directors

| | |
|--------------------|------------------------------------|
| Sh. Sushil Gupta | Chairman & Managing Director |
| Dr. Sandeep Gupta | Joint Managing Director |
| Sh. Manish Gupta | Whole-Time Director |
| Sh. Neeraj Bajaj | Non-Executive Independent Director |
| Sh. Nitin Agarwal | Non-Executive Independent Director |
| Sh. J. P. Malhotra | Non-Executive Independent Director |

Registered Office

Plot No-29, DLF Industrial Area
Phase-II, Faridabad-121003
Haryana

Company Secretary

Mr. Gaurav Yadav

Dyeing and Processing Division

VPO Kawnra, Old Faridabad to
Kheri-Jasana Road, Near Lingayas
Institute of Mgmt & Tech.
Faridabad-121101
Haryana, India

Statutory Auditors

Tayal & Co., Chartered Accountants
BP-49, First Floor, Neelam Bata road,
Near Syndicate Bank, Faridabad.

PEB Division

Bankers

8th Km Stone, Ramnagar Road

NH-121, Kashipur,
Udham Singh Nagar
Uttarakhand- 244713

Secretarial Auditors

AGB & Associates, Company Secretaries
970, Sector- 21D, Faridabad-121001

Bankers

Indian Overseas Bank
Corporation Bank

Registrar & Transfer Agent

Link Intime India (P) Limited

44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I
Phase-I, Near PVR, Naraina
New Delhi-110028, India

Board Committees:

Stakeholder and Relationship Committee

| | |
|--------------------|----------|
| Sh. Neeraj Bajaj | Chairman |
| Sh. J. P. Malhotra | Member |
| Sh. Nitin Agarwal | Member |

Stock Exchange Where
Company Securities are Listed
Bombay Stock Exchange

Shareholders' / Investors'

Grievance Committee

| | |
|--------------------|----------|
| Sh. Neeraj Bajaj | Chairman |
| Sh. J. P. Malhotra | Member |
| Sh. Nitin Agarwal | Member |

E-mail : cs@richa.in

Website : www.richa.in

Nomination and Remuneration Committee

| | |
|--------------------|----------|
| Sh. Neeraj Bajaj | Chairman |
| Sh. J. P. Malhotra | Member |
| Sh. Nitin Agarwal | Member |

MANAGEMENT DISCUSSION AND ANALYSIS

Forward Looking Statements

This report contains forward-looking statements, which may be identified by the use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar connotation. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company can not guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent developments, information or events.

Corporate Overview

Richa Industries Limited has grown since its incorporation and now it is a 276 crores company and achieve a new heights and make a name in the textile and PEB sector under the dynamic leadership of Mr. Sushil Gupta Chairman Cum Managing Director of the company. Richa Industries Limited has focus to be most updated on the technology front and has been continuously upgrading their facilities in all segments of the operations. Richa Industries Limited is an ISO 9001:2008 certified Profit Making and dividend paying Company of North India, and is engaged in knitting, dyeing and processing of knitted fabrics and manufactures of readymade garments. Richa Industries Limited is granted authorisation to Oeko-TEX Standards 100 to use the Oeko-TEX Mark.

Richa Industries Limited has diversified its area in Pre-Engineered Buildings sector with a vision of offer Cost effective and high tech building solutions. Richa Industries Limited has one manufacturing plant which is located at Uttarakhand and one in Kanwara (Faridabad) the company is equipped with a fully integrated facility of most modern machineries to produce the best quality product and has been doing exceptionally well in both the domains. Richa Industries Limited is also a member of Indian Green Building Council.

Economic Scenario

According to the Indian Economy the Financial Year 2013-2014 was very challenging one and the first half of 2013 was very slowdown and the GDP Growth rate was decrease but the Global Economic activity strengthen during the second half and is expected to improve further in 2014-15. As per the latest estimate, Indian Economy grew by 4.7% in the Financial Year 2014.

The Indian economy shows positive signs when there is improvement in external condition and a moderation in inflation numbers towards the end of the financial year and this improved the market sentiments.

Textile

Industry Overview

Textile Industry is one of the largest growing sectors of the economy and provides largest employment generation in the economy and contributes significantly to the country Industrial output and more of the exports were come from this industry and its also contributes in the GDP Growth rate of the economy.

Opportunities & Threats

Despite of the fact, this sector provides the largest employment generation of the Indian economy but the major challenge behind this industry is rising production costs, less subsidy grants available from the government and also of arising out of wages, power and interest costs.

On the other hand china and Bangladesh modernise his machinery and equipment and Bangladesh become one of the most exporters of the economy.

Risk & Concerns

Indian textile industry in India face many risk which were in the short term, will moderate growth Inflation, high interest rates, depreciating rupees, delays in policy initiatives to boost investments and capital flows. India's textile industry also urgently needs to diversify beyond its traditional markets of the US and Europe to remain competitive in the wake of the global economic downturn.

Pre Engineered Buildings

Industry Overview

Pre-Engineered Building are growing with the demand of the consumers as it is environment friendly and less cost effective and provide better goods at lesser costs. Now, many of the Companies like DMRC, IOCL, and BSWC use the Pre-Engineered Building as their demand rises in the market. These are also used in warehouses, factories, workshops, offices, gas stations, vehicle parking sheds, gas stations, aircraft hangers etc. No wonder, in view of demand from diverse sectors, the current market size for PEB solutions is growing at a fast pace.

Pre-Engineered Buildings have many green characteristic including recyclability and durability. It is strategically- designed steel buildings contribute through improved energy efficiency, environment friendly roofing wall panels natural lighting and other building materials composed of steel.

Growth potential for the PEB industry

If PEB industry continues to grow at the current growth rate in India, very soon it will be among the top ten countries in using steel as main building materials in the world. The size of PEB in India is about 33 percent of the Indian construction Industry. Hence, there is huge scope of PEB Player to enhance further by reducing the scope from conventional construction.

The PEB Market in India is experiencing sizable growth fuelled by Infrastructure development Vis-a vis increasing popularity of PEB in the Industrial sector i.e. automotive power, logistics, pharma, FMCG etc. with manufacturing activity increases in the last few years logistics has gained equal importance to provide good at lesser costs.

Pre-Engineered Building made penetration not only in the industrial segment but also in low rise structures- a huge growth potential to be seen in near future.

The key issues and challenges for PEB industry

The foremost challenge in the design of the steel building is optimizing the steel consumption. Industrial building are normally use for steel plants, automobile industries, light utility and process industries etc. these building requires large column free areas hence interior columns, walls and partitions are often eliminated or kept to a minimum. Most of these buildings may require adequate headroom for uses of an overhead traveling crane.

The Government policy also poses a challenge and risk for the PEB Industry. Promoting the industry by reducing the Tax burden would help user growth of steel consumption which is essentially a recyclable metal there by encouraging sustainable practices in the infrastructure development industry. Human resources are the single biggest challenge in the PEB Industry because in this segment skilled and trained manpower availability is scarce. Retaining talent is a concern to organizations with high overheads and poaching by competition huge challenges.

Future outlook of this industry

The PEB is growing at a very fast speed. With this kind of growth, it is expected a further rise in competition. There are many new entrants in these fields with their marketing activities will certainly bring more awareness and this momentum will definitely have a direct impact for the growth of the PEB Potential.

Internal Control Systems and their Adequacy

Richa Industries Limited has a comprehensive system of internal control to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions.

The Company has appointed the Internal Auditor to take care of the Internal Audit Systems. The main thrusts of the Internal audit process is test and review of controls, independent appraisal of risks business process and bench making internal control with best practices.

The Company maintains a system of internal control designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations as applicable in the various jurisdictions in which the Company operates.

The Company has also implemented suitable control measures to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and all applicable laws and regulations are strictly complied.

The management of the Company duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Audit Committee of the Board of Directors.

Health Safety and Environment

The company is continuously working for the safety of the employees and also to minimize the environmental impact on its operations. Richa make the 'World Environment Day' with full enthusiasm and with full energy. The company continuously provides and maintains best safety measures in the plants and also equipped with best pollution control with the best emissions norms. Regular medical examination of the employees is the integral part of the company policy. All employees are obliged to ensure that they fully understand all policies and do fully comply with the requirements. The company believes and ensure that there should be no injuries and incidents in their plants.

Human Resource Development

Richa Industries Limited believes that growth of its employees and also of the stakeholder will boost its growth opportunities. Richa aims that to respect more experienced and also mentoring the young people talent and it is also the Bedrock for Richa successful growth. Time to Time Richa provide training programs to their employees and boost their morale to achieve the goal and objective of the company. The Company is committed to their employees for the welfare and career growth of its people. The recruitment process is totally aligned to attract the best quality and diversified talent. The company has union free environment and industrial relations scenario and it is continued to be stable during the year. The management of Richa has made efforts continuously to make the environment mutually cooperative among the employees.

Cautionary Statement

Statements in the Directors' Report & Management Discussion and Analysis describing the Company's objectives, 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 could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal market, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

Appreciation

Your Directors express their warm appreciation to all the employees working at various units for their diligence and contribution. Your Directors also wish to record their appreciation for the support and co-operation received from the dealers, agents, suppliers, bankers and all other stakeholders.

By Order of the Board of Directors
For Richa Industries Limited

Sushil Gupta
(Chairman & Managing Director)

Place: Faridabad
Date: May30, 2014

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are delighted to present Twentieth Annual Report of your Company with the audited statement of accounts for the year ended March 31, 2014.

Financial Results

Highlights of financial results for the year are as follows:

| Particulars | (Rs. In Lacs) | |
|---|----------------------------|-----------------------------|
| | Current Year 31.03.2014 | Previous Year 31.03.2013 |
| Gross Sales | 27650.07 | 26960.17 |
| Other Income | 104.14 | 177.49 |
| Increase/(Decrease) in Stock | 743.42 | 30.38 |
| Total Revenue | 27754.21 | 27137.66 |
| Profit before Interest, Depreciation & Tax | 3778.09 | 4568.84 |
| Interest | 2256.30 | 2333.70 |
| Depreciation | 609.05 | 750.37 |
| Profit before Tax | 912.74 | 1483.02 |
| Tax including Deferred Tax/Fringe Benefit Tax | -28.59 | 146.71 |
| Profit after Tax | 941.34 | 1336.30 |
| Balance brought forward from previous year | 5248.19 | 4077.06 |
| Amount available for distribution | 6189.53 | 5413.36 |
| Proposed Dividend | Nil | 84.63 |
| Tax on Dividend | NIL | 13.72 |
| Transfer to Reserves | 47.06 | 66.81 |
| Balance carried to Balance Sheet | 6111.14 | 5248.19 |

OPERATIONS

The total income of the Company during the year was Rs. 27650.07 lacs against Rs. 26960.17 Lacs in the previous financial year. There was slightly increase from the last financial year. The total expenditure during the year was Rs. 25896.88 Lacs against Rs. 24843.61 Lacs in the previous financial year. The increase in total expenditure was mainly due to increase in consumption of raw material, increase in employee benefit expenses, and other administrative expenses so on.

The profit before tax for the year under review was lower at Rs. 912.74 Lacs from Rs. 1483.02 Lacs in the previous financial year and the same were the case of the profit after tax for the year under review at Rs. 941.34 lacs compared to Rs. 1336.30 Lacs in the previous financial year.

The basic and diluted earning per share (EPS) computed in accordance with the Accounting Standard- 20 issued by the Institute of Chartered Accountants of India was Rs. 4.09 Per share respectively as against Rs. 8.76 per share (basic & diluted) for the previous year.

Management Discussion & Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

Board of Directors

In accordance with the provision of Section 152 of the Companies Act 2013 and the company Articles of Association, Mr. Sandeep Gupta, Director, retires by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

Necessary resolution seeking the approval of the shareholder for the reappointment of Mr. Sandeep Gupta forms parts of the notice convening the Annual general Meeting. In terms of clause 49 (IV) (G) (i) of the listing agreement entered into with the Bombay Stock exchange limited, all the requisite detail about the director seeking reappointment at the ensuing Annual General Meeting form part of the Notice convening the Annual general Meeting

Further, Pursuant to clause 49 (IV) (E) (iv) of the Listing Agreement, the shareholders may take note that none of the Non-Executive Directors hold any shares/ convertible instruments in the company as on the date of this report.

Fixed Deposit

During the year, your Company has not accepted any fixed deposits from the public under Section 58A or 58AA of the Companies Act, 1956 and is therefore not required to furnish information in respect of outstanding deposits under Companies (Acceptance of Deposit) Rules, 1975.

Dividend

Based on the Company's performance, the Directors does not recommend any dividend for the financial year 2013-2014 due to economic slow down and requirement of more working capital as company is entering into Government projects.

Unclaimed Share Suspense Account

In terms of clause 5A(I) of the Listing Agreement the company reports the following details in respect of the equity shares lying in the suspense account which were issued in demat form pursuant to the public issue of Richa Industries Limited.

In terms of Clause 5A (II) of the Listing Agreement the company had transferred 835 unclaimed equity shares which were standing registered under folio into the Richa Industries Limited-Unclaimed Share Suspense Account.

Transfer to Reserves

The Company proposes to transfer Rs. 47,06,706.63 to the General Reserve out of the amount available for appropriations and an amount of Rs. 52,48,19,245.43 is proposed to be retained in the Profit and Loss Account.

Corporate Governance

The Company complies with the clauses of Listing Agreement entered into with the Bombay Stock Exchange where the Company's shares are listed. Further, in terms of the provisions of Clause 49 of the Listing Agreement, your Company has complied with the requirements of Corporate Governance and a Report on Corporate Governance together with certificate from the Company's Auditors confirming compliance, is set out in a statement, which forms part of this Annual Report.

Secretarial Audit Report

Your Company has appointed M/s AGB & Associates, Practicing Company Secretaries, to conduct limited purpose Secretarial Audit of the Company for the financial year ended March 31, 2014. The emphasis of the report is to see the compliance under the applicable provisions of the Companies Act, 1956, Depositories Act, 1991, Listing Agreement with Bombay Stock Exchange, Securities Contract (Regulation) Act, 1956, during a particular quarter with reference to the transaction carried out by the company and all the regulations of SEBI as applicable to the Company including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Prohibition of Insider Trading) Regulations, 1992 and the amendments made there under. Observations of the secretarial auditors raised from time to time are being addressed by the management.

Auditors and Auditors' Report

M/s Tayal & Co., Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 141 (3)(g) of the Companies Act, 2013. The Directors recommend the re-appointment of M/s Tayal & Co. as Statutory Auditors of the Company.

The observations of Statutory Auditors in their report read with notes to the accounts are self explanatory and do not call for any further explanation or clarification.

Cost Auditors

The company has appointed the M/s Vivek Kumar & Associates as a Cost Auditor for conducting the cost audit records of the Company for the financial year 2013-2014.

Human Resource Development and Industrial Relation

Your Company strives to provide the best working environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. Every initiative and policy of the Company takes care of welfare of all its employees. The human resource development function of the Company is guided by a strong set of values and policies. The details of initiatives taken by the Company for the development of human resource are given in Management Discussion and Analysis Report. The Company maintained healthy, cordial and harmonious industrial relations at all levels through out the year.

Personnel & Particulars of Employees

The industrial relations with the workers and staff of the Company remained cordial throughout the year. There was unity of objective among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continue to be an area of prime importance.

Particulars of the employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Amendment Rules, 2011 are not applicable since, none of the employee of the Company was drawing more than Rs. 60,00,000/- p.a or Rs. 5,00,000/- p.m for the part of the year. Statement to this effect is as follows:

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 and forming part of the Directors' Report for the financial year ended 31st March, 2014

| S. No. | Name | Designation & Nature of duties | Remuneration Gross (Rs.) | Qualifications | Date of Commencement of Employment | Age in years | Last Employment |
|--------|------|--------------------------------|--------------------------|----------------|------------------------------------|--------------|-----------------|
|--------|------|--------------------------------|--------------------------|----------------|------------------------------------|--------------|-----------------|

-----NIL-----

Awards & Certificates

During the year under report, your Company has got its Certificate renewed from 'BSCIC' ISO 9001:2008 for operating a Quality Management System in respect of design, development, manufacture and supply of Pre Engineered Buildings. Your company is now OKEOTEX certified manufacturing facility. Your company got Customer Excellence Award as Growth Partner of IOB from Indian Overseas Bank.

Richa Industries awarded by "Indian Achievers Podium", A wing of BPPL, for Best Promising Pre Engineering Steel Building Manufacturer from India in their "10th All India Excellence Award" & "6th Realty Award". Your Company Richa Industries Limited has ranked 208, India Fastest Growing Mid- Sized Companies as per Inc. India 500.

Directors' Responsibility Statement

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 your Directors hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures for the same.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2014 and of the profit or loss of the Company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts of the Company on a going concern basis.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as Annexure I hereto and forms part of this report.

Acknowledgment

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees in the Company and the cooperation extended by Banks, Government authorities, customers and shareholders of the Company and looks forward to a continued mutual support and co-operation.

By order of the Board of Directors
For **Richa Industries Limited**

SUSHIL GUPTA
Chairman & Managing Director

Date: May 30, 2014
Place: Faridabad

Annexure I to Directors' Report

Information as per section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended March 31, 2014 are given as under :

◆ CONSERVATION OF ENERGY

Energy conservation continued to have high prominence as in previous years. Some of the initiatives taken during the financial year 2013-14 were as follows:

1.1 Energy Conservation measures taken during the year 2013-14:

The Company has got its Certificate renewed from BSCIC ISO 9001:2008 for its PEB Unit at Kashipur. It is a certificate granted for quality assurance. It has the effect of reduction in wastage and saving of energy.

The Company associated with C kinetics. It is a firm which conduct regular audit of our plant related to energy conservation and with their help we have improved our heat recovery and increased the boiler efficiency at our plants.

The Company has started to purchase power from open excess with the help of this there is very less running of DG sets which result into cost saving.

1.2 Impact of measures taken at 1.1 above for reduction of energy consumption and consequent impact on the cost of production of goods

- Increase in Productivity.
- Reduction in wastage.
- Saving of water sources
- Saving Energy and effective use of raw materials
- Quality Assurance

1.3 Total energy consumption per unit of production as per Form A:

| Particulars | 31.03.2014 | | 31.03.2013 | |
|----------------------------------|------------|-------|------------|-------|
| | Textile | PEB | Textile | PEB |
| 1.4.1 | | | | |
| 1.4.1.1 Power & Fuel Consumption | | | | |
| a) Electricity (Purchased) | | | | |
| No. of Units (in Lacs) | 59.45 | 10.07 | 30.55 | 7.78 |
| Cost (Rs. in Lacs) | 308.87 | 67.31 | 226.81 | 62.27 |
| Cost per unit (in Rs.) | 5.18 | 6.68 | 7.42 | 9.63 |
| b) Own generation | | | | |
| Through diesel generator | | | | |
| No of Units generated (in Lacs) | 1.17 | 0.60 | 9.61 | 9.61 |
| Diesel consumed (000 ltrs.) | 31.15 | 18.95 | 243.81 | 44.87 |
| Units per ltr of diesel | 3.76 | 3.15 | 4.64 | 4.71 |
| Cost (Rs. in Lacs) | 15.86 | 10.49 | 88.77 | 11.85 |
| Cost per unit (in Rs.) | 13.51 | 17.48 | 9.72 | 4.72 |
| 1.4.1.2 Coal | | | | |
| Quantity (tons) | 3876.86 | - | 5354.32 | - |
| Cost (Rs. in Lacs) | 311.70 | - | 414.42 | - |
| Cost per unit (in Rs.) | 8.04 | - | 7.65 | - |

TECHNOLOGY ABSORPTION

Form B for disclosure of particulars with respect to Technology Absorption 2013-14

Research & Development (R & D)

2.1.1(a) Specific areas in which R & D carried out by the Company:

The Company has developed its inhouse ERP for PEB. There is a continuous development in this area due to dedicated team of ERP developers employed in the company.

2.1.1(b) Benefits derived as a result of the above R & D;

The inhouse development of ERP has resulted in speeding up of working in the purchase and marketing department of the company. Thereby resulted in saving of time and improves efficiency.

2.1.1(c) Expenditure incurred on R & D:

Inhouse and continuous improvements. No separate cost centre.

2.1.2 Technology absorption, adaptation & innovation:

2.1.2(a) Efforts, in brief, made towards technology absorption, adaptation & innovation:

As said earlier the company has installed compactors for its textile division and developed Inhouse ERP for its PEB division.

2.1.2(b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:

Improved productivity and cost reduction

Time saving

Reduction in wastage

2.1.2(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

The Company has purchased Tekla Software which is a new technology and it is used for building information modelling and also has the Metal Building Software locks and STAD Pro. The Company has purchased Metal Building Software for its PEB unit at Kashipur in 2009. For Textiles, imported Time Dispensers and Dye House Controlled Centers are also installed in the year 2007 and 2009.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange Used and Earned

Amount in Rs.

| Particulars | Current Year 2013-14 | Previous Year 2012-13 |
|-------------|-------------------------|--------------------------|
| Earnings | 5,17,34,041.93 | 1,67,78,824.74 |
| Outgo | 11,13,673.00 | 3,90,132.00 |

CORPORATE GOVERNANCE REPORT

Corporate Governance is the set of policies, processes and practices governing the affairs of a Company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

Over the years, governance processes and systems have been strengthened and institutionalized at Richa. Effective implementation of these policies underpins the commitment of the Company to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance shareholders' value.

Keeping in view the Company's size, complexity, global operations and corporate traditions, the Company's Governance framework is based on the following main principles:

- Constitution of Board of Directors of appropriate composition, size, varied expertise and commitment to discharge their responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
- A sound system of risk management and internal control.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Fair and equitable treatment to all stakeholders including employees, customers, shareholders and investors.
- Compliance with all the rules and regulations.

The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

In accordance with clause 49 of the Listing Agreement with Bombay Stock Exchange and the best practices followed internationally on Corporate Governance, the details of governance systems and processes are as under:

1. Company's Philosophy on Code of Governance

Corporate Governance deals with the complex set of relationships between the Company and its board of directors, management, shareholders, and other stakeholders. Your Company believes that changes are inevitable in the corporate world, whether relating to laws, rules, regulations, standards, procedures, public disclosures, thereby constantly posing challenges for the corporate to meet with the highest set of standards of business ethics and fair play. However adherence to Corporate Governance practices at each such time shall lead the way to transparent and just business operations.

Corporate Governance encompasses good practices, adherence to laws, procedures, standards and implicit rules that enable the management to take wise and sound decisions, whose results will have an impact not only on its shareholders, creditors, associates, employees and the government but society at large. The core objective of Corporate Governance is to maximize shareholder value through an open and transparent disclosure regime. Corporate Governance practice enables every stakeholder to have access to fullest information about the Company and its functioning thereby achieving stakeholder's satisfaction.

In view of the above statement, your Company reaffirms its commitment to excellence in Corporate Governance and constantly strives and endeavors to attain the high standards of business ethics and fair play, by employing the finest practices of corporate values and ethics. Your Company also believes that good Corporate Governance will also help to translate into being a responsible corporate citizen.

2. Corporate Social Responsibility

Social welfare and community development is at core of the Richa's CSR philosophy and this continues to be a top priority. Richa embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Richa conduct various programmed for the benefit of the poor i.e. free Mass Eye Checkup, Health Checkup

Camps, yoga shivir, Blood Donations camps etc. Richa has also made contribute in the areas of the health, education, infrastructure development and also contribution to other social development organization.

3. Board of Directors

Composition and category

The Board of Directors of the Company ("the Board") provides leadership and guidance to the Company's Management and also supervises, directs and manages the performance of the Company. The Board has constituted various committees of Directors, for the matters requiring special attention and their effective and efficient disposal.

Your Company's Board is represented by professionally qualified Executive, Non-Executive and Independent Directors. The Board as on date is comprised of three Executive directors and three Non-executive directors.

Details of the Directors constituting the Board, their category, shareholding in the Company, number of Directorships in other public limited companies etc. are as follows:

| Name | Designation | DIN | Category | Share-holding in Company (No. of Shares) | No. of director-ships held in all public companies# | No. of Board Committees memberships held in all public companies@ | No. of Board Committees Chairmanships held in all public companies@ |
|--------------------|--------------------------------|----------|----------------------------|--|---|---|---|
| Mr. Sushil Gupta | Chairman and Managing Director | 00035854 | Executive Non-Independent | 1055706 | 2 | NIL | NIL |
| Dr.Sandeep Gupta | Jt. Managing Director | 00035751 | Executive Non-Independent | 1152968 | 3 | 1 | NIL |
| Mr. Manish Gupta | Whole time Director | 00035828 | Executive Non-Independent | 168954 | 3 | NIL | NIL |
| Mr. Neeraj Bajaj | Director | 00035778 | Non- Executive Independent | NIL | 1 | 3 | 3 |
| Mr. J. P. Malhotra | Director | 00597704 | Non- Executive Independent | NIL | 1 | 3 | NIL |
| Mr. Nitin Agarwal | Director | 03447905 | Non- Executive Independent | NIL | 1 | 3 | NIL |

including Richa Industries Limited and excluding alternate directorship, Directorships in private and foreign companies

@ Board Committees for this purpose includes Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration Committee (including Board Committees of Richa Industries Limited).

None of the Directors on the Board is a member of more then ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

Directors' Profile

Brief resume of all the Directors, nature of their expertise in specific functional areas are provided below:

Sh. Sushil Gupta

(DIN 00035854)

Shri Sushil Gupta, aged 49 years is the Chairman & Managing Director of Richa Industries Limited, having more than 22 years of experience in the industry and now heading Pre-engineered Building division. He possess vast expreince as Self made entrepreneur, project management, textiles and steel structures. He is an awardee of Udyog Patra and Udyog Vibhushan. He has got wide experience in information technology, project engineering and textiles.He implement the total automated process for design and manufacturing of steel buildings. Design and detailing of the building are done without

the support of draftsman. He is associated with the Company since its inception. He has been the driving force behind the Company's evolution. He had completed his B.Tech. (Mechanical) from NIT, Kurukshetra in 1986 and M. Tech. from IIT-Delhi in 1988.

He started his career in the year 1988 as CAD Engineer in Axis Cottex Private Limited and worked there for ten months. He served as a computer science lecturer for few months in Vaish College (Rohtak) in the year 1989. With the background of business and to continue the family business, he decided to leave the job and put the milestone of the business in the year 1991 in the name of 'Usha Processing Mill'. Later on the business of Usha Processing Mill' was taken over by Richa Industries Ltd in 1993. Since then he is in the business and is known for his technical capabilities in the industry. His far-sightedness and firm commitment enabled our Company to achieve the present status. He is in-charge of overall activities of the Company. His core area of focus remains on R&D, cost effectiveness and customer service. His responsibility includes exercising overall control and supervision of various activities of the Company.

Dr. Sandeep Gupta

(DIN 00035751)

Dr. Sandeep Gupta aged 36 years is the Joint Managing Director of the Company w.e.f. 29.12.2005. He has more than 14 years of experience in the area of textile and garment industry. Ever since joining the Company, he has assumed responsibilities of activities involved in all areas from manufacturing to marketing. Having attained thorough experience of the trade, he is now looking after the marketing and finance functions of the Company. He has done Doctorate in Management, MBS from University of Bhartiya Vidyapeeth, Pune, Graduate in Industrial Relations and Personnel Management from Delhi University. He also holds a Diploma in Apparel Production Technology from Pearl Institute, Diploma in Sales & Marketing from NIS (National Institute of Sales) and Diploma in Information Technology from C-DAC, Pune. He joined us after completing his Graduation in 2000; he was groomed under the guidance of Mr. Sushil Gupta, your Chairman & Managing Director and in the atmosphere of business with the common goal.,

Sh. Manish Gupta

(DIN 00035828)

Shri Manish Gupta, aged 34 years is the Whole Time Director of your Company w.e.f. 29.12.2005. He joined the Company on July 1, 2002. He is in charge of overall working of plant including knitting, processing, dyeing and administration. His key area include development of annual marketing plan in conjunction with sales department. Evaluate customer research, market conditions, competitor data & implements marketing plan for business development. He has 10 years experience in the line of textile industry. He has done - B.Tech in Textile Chemistry from Shivaji University, DKTE, Ichalkaranji, Maharashtra. He has done P.G.P. from IIT, Mumbai.

Sh. Neeraj Bajaj

(DIN 00035778)

Sh. Neeraj Bajaj aged 44 years, has an experience of over 21 years in accounts and finance related matters. He is a qualified Chartered Accountant and is a Fellow Member of the Institute of Chartered Accountants of India. He is an expert in project finance. He joined your Company in December 2005. He is a Non-Executive, Independent Director.

Sh. J.P Malhotra

(DIN 00597704)

Sh. Jai Parkash Malhotra aged 64 years, has an experience of over 43 years in manufacturing industry. He has done - B.E. (Mechanical) from Delhi University. He is an expert in Manufacturing of valves and related activities. He was awarded as outstanding entrepreneur small scale industry for the State of Haryana by President of India and also awarded as eminent Engineer by Institution of Engineers in 2006. He was the president of Faridabad Chamber of Commerce & Industries. At present, he is the president of DLF, Association, Faridabad. He joined us in June, 2008. He is a Non-Executive, Independent Director.

Sh. Nitin Aggarwal
(DIN 03447905)

Sh. Nitin Agarwal aged about 36 years, has an experience of over 10 years in the field of law. He is an Advocate practicing in Supreme Court of India. He mainly deals in matters relating to Company Law, etc. He joined us in February, 2011. He is a Non-Executive, Independent Director.

Board Independence

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and rules made thereunder and meet with requirement of Clause 49 of the Listing Agreement entered with the Stock Exchange.

Board Procedure

The Board meets at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made.

The information as specified in Annexure (I) (A) to the Clause 49 of the Listing Agreement is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed of every Board Meeting, on the overall performance of the Company, with presentations by business heads. Senior Management is invited to attend the Board Meeting so as to provide additional inputs to the items being discussed by the Board.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to statutory matters requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, details of joint ventures, sale of business unit/ division, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

Attendance of each director at the meetings of the Company

The detail of attendance of each Director of the Company in Board Meetings held during the financial year 2013-14 is given below:

| Name of the Director | Attendance of meetings during 2013-14 | |
|----------------------|---------------------------------------|----------|
| | Board Meetings | Last AGM |
| Sh. Sushil Gupta | 6 | Yes |
| Dr. Sandeep Gupta | 5 | Yes |
| Sh. Manish Gupta | 5 | Yes |
| Sh. Neeraj Bajaj | 6 | No |
| Sh. J. P. Malhotra | 6 | Yes |
| Sh. Nitin Aggarwal | 5 | Yes |

Number of Board Meetings held and the dates on which held

Six Board Meetings were held during the current financial year. The Company has held at least one Board Meeting in every three months and the maximum time gap between any two such meetings was not more than four months. The details of the Board Meetings are as under:

| Date | Board Strength | Number of Directors Present |
|-------------------|----------------|-----------------------------|
| May 6, 2013 | 6 | 6 |
| May 30, 2013 | 6 | 5 |
| June 27, 2013 | 6 | 6 |
| August 14, 2013 | 6 | 6 |
| November 14, 2013 | 6 | 5 |
| February 14, 2014 | 6 | 6 |

Agenda and Minutes

All the departments of the Company communicate to the Company Secretary well in advance with regard to matters requiring approval of the Board/Committees of the Board to enable her to include the same in the agenda for the Board/Committee meeting(s). Agenda papers are generally circulated to the Board/Committee members well in advance before the meeting.

The Company Secretary while preparing the agenda and minutes of the Board/Committee meeting has ensured adherence to the applicable provisions of the law including the Companies Act, 1956. The applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also being followed by the Company. The draft minutes of the proceedings of each meeting duly initialed by the Chairman of the meeting are being circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman.

All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board inter-alia includes the following:

- Annual operating plans and budgets and any updates thereon.
- Capital budgets and updates, if any.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Legal compliance report and certificate
- Information on recruitment, resignation and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices issued, if any against the Company having material impact.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any.
- Any material default in financial obligations to or by the Company, or substantial non-recoveries against sale, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implication on the Company, if any.
- Details of any joint venture or collaboration agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property, if any.
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc., if any.
- Sale of material, nature of investment, subsidiaries, assets, which is not in normal course of business, if any.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as delay in share transfer, etc.

Directorships of Board Members in other Companies

| Name of Director | Name of Companies/Firm | Position held/interest |
|--------------------|----------------------------------|--|
| Mr. Sushil Gupta | Richa Infrastructure Ltd. | Director on the Board, Shareholding > 2% |
| | Riyana Infratech (P) Ltd | Director on the Board |
| Dr. Sandeep Gupta | Richa Infrastructure Ltd. | Director on the Board, Shareholding > 2% |
| | Richa Holdings Ltd. | Director on the Board, Shareholding > 2% |
| | Riyana Infratech (P) Ltd. | Director on the Board, Shareholding > 2% |
| | Steelbuilt Construction (P) Ltd. | Director on the Board |
| Mr. Manish Gupta | Richa Infrastructure Ltd. | Director on the Board, Shareholding > 2% |
| | Richa Building Systems (P) Ltd. | Director on the Board, Shareholding > 2% |
| | Richa Holdings Ltd. | Director on the Board, Shareholding > 2% |
| | Jewel Garments (P) Ltd. | Director on the Board, Shareholding >2% |
| Mr. Neeraj Bajaj | Victoria Auto Private Limited | Director on the Board |
| | SPM Autocomp Systems (P) Ltd. | Director on the Board |
| | Victoria Hospitalities (P) Ltd. | Director on the Board |
| | Sintercom India (P) Ltd. | Director on the Board |
| Mr. J. P. Malhotra | Bhartiya Valves (P) Ltd. | Director on the Board, Shareholding > 2% |
| | Gautam Engineers | Partner |
| Mr. Nitin Aggarwal | NA | NA |

4. Terms of References and other details of Board Committees

Audit Committee

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The Terms of Reference of the Audit Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and inter-alia includes:

- 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;
- recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- reviewing, with the management, the annual financial statement before submission to the Board for approval,
- reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- discussion with internal auditors any significant findings and follow up thereon;
- discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Audit Committee, while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. Compliance of the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2014

Composition

The Audit Committee comprises of three Directors, two among them are Non-Executive and one is Promoter and Executive. The Audit Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement and Section 292A of the Companies Act, 1956. All these Directors possess adequate knowledge of corporate finance, accounts and company law.

The Meetings of the Audit Committee are attended by the Internal Auditors and the Company Secretary. The Company Secretary acts as Secretary to the Committee. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The constitution of Audit Committee comprised of the following:

| Name of Member | Designation | Category |
|--------------------|-------------|------------------------|
| Sh. Neeraj Bajaj | Chairman | Non Executive Director |
| Sh. J. P. Malhotra | Member | Non Executive Director |
| Dr. Sandeep Gupta | Member | Executive Director |

Shri J.P. Malhotra, who is the member of the Audit Committee, was present at the Nineteenth Annual General Meeting of the Company held on September 13, 2013 to answer the shareholders' queries.

MEETINGS AND ATTENDANCE

The Audit committee held four meetings during the financial year ended March 31, 2014 and the gap between two meetings did not exceed four months. The Audit Committee Meetings were held on May 30, 2013; August 14, 2013; November 14, 2013 and February 14, 2014.

The attendance of the members at the Audit committee Meetings are as under:

| Name of Member | No. of Meetings held during tenure | No. of Meetings attended during tenure | Leave of absence sought |
|--------------------|------------------------------------|--|-------------------------|
| Sh. Neeraj Bajaj | 4 | 4 | NIL |
| Sh. J. P. Malhotra | 4 | 4 | Nil |
| Dr. Sandeep Gupta | 4 | 3 | 1 |

Internal Auditors

The Company has appointed an Internal Auditor to review and report on the internal control systems of the company. The report of the internal auditors was reviewed by the Audit Committee. The Audit Committee formulates a detailed plan to the Internal Auditors for the year and the same is reviewed at the Audit Committee meetings. The Internal Auditors submit their recommendations to the Audit Committee and provides a Road Map for the future action.

5. Remuneration and Nomination Committee

Composition

The Remuneration Committee comprises of Non-Executive Independent Directors. The constitution of the Remuneration Committee comprised of the following:

| Name of Member | Designation | Category |
|--------------------|-------------|------------------------|
| Sh. Neeraj Bajaj | Chairman | Non Executive Director |
| Sh. J. P. Malhotra | Member | Non Executive Director |
| Sh. Nitin Agarwal | Member | Non Executive Director |

The Company Secretary acts as secretary to the Committee.

The function of the Remuneration Committee includes recommendation of appointment of Whole-time Director(s)/ Managing Director/Joint Managing Director and recommendation to the Board of their remuneration.

MEETINGS AND ATTENDANCE

The Remuneration committee met once during the financial year ended March 31, 2014. The Remuneration Committee meeting was held on August 14, 2013

The attendance of the member at the Remuneration Committee meeting is as under:

| Name of Member | No. of Meetings held during tenure | No. of Meetings attended during tenure | Leave of absence sought |
|-------------------|------------------------------------|--|-------------------------|
| Sh. Neeraj Bajaj | -- | -- | -- |
| Sh. J.P. Malhotra | 1 | 1 | Nil |
| Sh. Nitin Agarwal | 1 | 1 | Nil |

Terms of Reference

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s).
- Reviewing the performance of the Managing / Whole-time Director and recommending to the Board, the quantum of annual increments and annual commission.

Remuneration Policy

Payment of remuneration to the Managing Director/Whole-time Director(s) is governed by resolution passed by the Board of Directors and Shareholders of the Company, which covers the terms of such appointment and remuneration, read with the service rules of the Company. Remuneration paid to Chairman and Managing Director and Whole-time Director(s) is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the Annual General Meeting.

The remuneration package of Chairman and Managing Director and Whole-time Director(s) comprises of salary, perquisites and allowance and contributions to provident fund as approved by the shareholders at the Annual General Meeting. Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

Remuneration paid to the Directors during the year 2013-14

| Name | Salary | Perquisites | Provident Fund | Total |
|-------------------|-----------|-------------|----------------|-----------|
| Sh. Sushil Gupta | 12,00,000 | - | 84000 | 12,84,000 |
| Dr. Sandeep Gupta | 12,00,000 | - | - | 12,00,000 |
| Sh. Manish Gupta | 12,00,000 | - | - | 12,00,000 |

excludes provision for gratuity and leave encashment.

Equity Shares held by the Directors

Except as stated hereunder, none of the directors, held any share in the Company as on 31st March, 2014

| NAME OF THE DIRECTOR | NO. OF SHARES HELD |
|----------------------|--------------------|
| Sh. Sushil Gupta | 1055706 |
| Dr. Sandeep Gupta | 1152968 |
| Sh. Manish Gupta | 168954 |

6. Stakeholders Relationship Committee

Composition

| Name of Member | Designation | Category |
|--------------------|-------------|------------------------|
| Sh. Neeraj Bajaj | Chairman | Non Executive Director |
| Sh. J. P. Malhotra | Member | Non Executive Director |
| Sh. Nitin Agarwal | Member | Non Executive Director |

The Stakeholders Relationship Committee was constituted by the Board on May30, 2014 consequent to the dissolution of the Shareholder/Investor Grievance Committee. The Stakeholder Relationship Committee is primary responsible to review all the matters connected with the company transfer of securities and redressal of Shareholders'/ investors, security holders, complaints. The committee also monitors the implementation and compliance with the Company's Code of conduct for prohibition of Insider Trading.

Terms of Reference

- Oversee and review all matters connected with the transfer of the Company Securities
- Approve issue of the Company duplicate Share/debenture certificate
- Monitor redressal of investors'/shareholders'/security holders' grievances
- Oversee the performance of the Company's Registrars and transfer agents
- Recommend methods to upgrade the standard of services to investors
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Minutes of the Shareholders'/Investors' Grievance Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Meetings:

Four Committee Meetings were held during the year on May 30, 2013, August 14, 2013, November 14, 2013 and February 14, 2014, The attendance of each member as at 31st March, 2014 is as given below:

| Name of Member | No. of Meetings held during tenure | No. of Meetings attended during tenure | Leave of absence sought |
|--------------------|------------------------------------|--|-------------------------|
| Sh. Neeraj Bajaj | 4 | 4 | NIL |
| Sh. J. P. Malhotra | 4 | 4 | Nil |
| Sh. Nitin Agarwal | 4 | 3 | 1 |

Compliance Officer

Mr. Gaurav Yadav, the Company Secretary is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchange and requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

Complaints from Investors

| | | |
|---|---|-----|
| No. of complaints pending at the beginning of the year | : | Nil |
| No. of complaints received by correspondence during the year ended 31.03.2014 | : | 02 |
| No. of complaints received for Refund Instrument correction during the year | : | Nil |
| No. of complaints received from B.S.E during the year | : | Nil |
| No. of complaints received from SEBI during the year | : | Nil |
| No. of complaints resolved / replied during the year | : | 02 |
| *No. of Investors complaints pending at the ending of the year 31.03.2014 | : | Nil |

We confirm that no complaint remained unattended /pending for more than 30 days.

*There were no share transfers pending for registration for more than 21 days as on the said date.

7. Corporate Governance Manual

The Board of Directors of the Company approved and adopted a comprehensive Corporate Governance Manual setting out the procedures for effective functioning of the Board and its Committees. It also incorporates the Code of Conduct and Ethics for Directors and Senior Management, Code of Ethics for Employees and Policy on Prohibition of Insider Trading. These policies are regularly monitored and reviewed.

8. Legal Compliance Reporting

As required under Clause 49 of the Listing agreement, the Board periodically reviews compliance of various laws applicable to the Company.

9. Annual General Meetings

The details of last three Annual General Meetings of the Company are given hereunder

| Year | AGM | Date | Time | Venue | Special Resolution passed |
|---------|----------------------|----------------------------------|------------|---|---------------------------|
| 2010-11 | 17 th AGM | 13 th September, 2011 | 4:30 p.m. | Hotel Delight, 17-18, Neelam Bata Road, N.I.T. Faridabad | None |
| 2011-12 | 18 th AGM | 15 th September, 2012 | 10.00 a.m. | Hotel Delight, 17-18, Neelam Bata Road, N.I.T. Faridabad. | None |
| 2012-13 | 19 th AGM | 13 th September, 2013 | 10.00 a.m. | Hotel Delight, 17-18, Neelam Bata Road, N.I.T. Faridabad. | Yes (One) |

10. Postal Ballot

During the Year by Postal Ballot under section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the Company passed Special Resolution under section 81 and 81 (A) of the Companies Act, 1956 to seek the shareholder approval for the preferential Allotment of Equity Shares i.e. 70,99,446 Equity Shares.

The Company had appointed Mr. Ajay Garg and Mr. Nitin Rawat, of AGB & Associates, Practicing Company Secretary as Scrutinizer and alternate Scrutinizer respectively to conduct the Postal Ballot Process in a fair and transparent manner. Postal Ballot forms received up to the close of working hours on 12th June, 2013 had been considered and the result of Postal Ballot was announced on 13th June, 2013 at the corporate office of the Company.

| Promoter/Public | No of Shares Held (1) | No of Votes Polled (2) | % of Votes Polled on Outstanding Shares (3) = [(2)/(1)]*100 | No of Votes In favour (4) | No of Votes in against (5) | % of Votes in favour on votes polled (6) = [(4)/(2)]*100 | % of Votes against on Votes Polled (7) = [(5)/(2)]*100 |
|------------------------------|-----------------------|------------------------|---|---------------------------|----------------------------|--|--|
| Promoter and Promoter Group | 11689883 | 11689883 | 100 | 11689883 | 0 | 100 | 0 |
| Public-Institutional holders | 0 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Public -Others | 5235671 | 1028622 | 19.65 | 1027022 | 1600 | 99.84 | 0.16 |
| Total | 16925554 | 12718505 | 75.14 | 12716905 | 1600 | 99.987 | 0.013 |

11. Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial year 2013-14.

12. Disclosure

a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large. There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, etc. that may have potential conflict with the interest of the Company at large. Attention of Members is drawn to the disclosure of transaction with related parties set out in Note No. 28 of Financial Statements forming part of the Annual Report.

The company major related party transactions are generally with its group companies. All related party transactions are negotiated on arm lengths basis and are intended to further the company's interest.

b) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred in Section 211(3)(c) of the Companies Act, 1956. The significant accounting policies which are consistently applied are set out in the Notes to the financial statements.

c) Risk Management

Business risk evaluation and management is an on going process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

d) Details of non compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of the Listing Agreement entered into with Bombay Stock Exchange as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Sock Exchange or any statutory authority for non-compliance of any matter related to the capital market since the listing of the Company.

Non-Mandatory Requirements

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

13. Means of Communication

- Quarterly Results: The company Quarterly results are published in Financial Express/Business Standard and Jansatta and are displayed on its website i.e. (www.richa.in). the approved financial results are sent forthwith to the Bombay Stock Exchange. In addition, the same are published in a Local language Newspaper, with in forty-eight hours of approval thereof.
- Presentation to Institutional Investors/ Analysts: No formal presentations or analysis were made to the institutional investors during the year under review.
- Website: The Company's Website (www.richa.in) contains a separate dedicated section Investor Relations where Shareholders' information is available. The Company Annual Report is also available in a user-free and downloadable form.
- Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

14. Management Discussion & Analysis Report

A detailed review of the progress of the project and the future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, is presented in a separate section forming part of this Annual Report.

15. Corporate ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way.

Some of our policies are:

- Code of Conduct for Directors and Senior Management Personnel;
- Code of Conduct for Prevention of Insider Trading;
- Whistle Blower Policy

16. Compliance status with mandatory and non-mandatory requirements of Clause 49 of listing agreement

Mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange.

Non-mandatory requirements

Compliance status with non-mandatory requirements is given below:

- a. Chairman of the Company is entitled to seek any advice and consultancy in relation to the performance of his duties and is also entitled to claim reimbursement of the expenses incurred in this regard.
- b. Independent Directors of the Company do not have a term exceeding a period of nine years in aggregate on the Board of Company.
- c. The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee are provided in a separate section in this report.
- d. The Company believes and maintains its accounts in a transparent manner and aims at receiving unqualified report from the Auditors on the financial statement of the Company.

e. As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in different fields. They keep themselves abreast with the latest developments in the field of Management, Technology and Business Environment through various symposiums, seminars, etc.

f. The Company has adopted "Whistle Blower Policy". No personnel have been denied access to the Audit Committee.

17. General Shareholder Information

Annual General Meeting

| | |
|-----------------|--|
| Day, Date, Time | Saturday, 13 th September, 2014, 10.30 A.M. |
| Venue | Hotel Delite, 17-18, Neelam Bata Road, N.I.T. Faridabad- 121001, Haryana |

Financial Calendar

- Financial reporting for the quarter ending June 30, 2014 : Third Week of August, 2014
- Financial reporting for the half year ending September 30, 2014 : Third Week of November, 2014
- Financial reporting for the quarter ending December 31, 2014 : Third week of February, 2015
- Financial reporting for the year ending March 31, 2015 : End May, 2015

Book Closure Period

September 8th, 2014 to September 12th, 2014 (Both days inclusive)

Listing of Equity Shares on Stock Exchanges and Payment of Listing Fee

Bombay Stock Exchange Limited, (BSE)
Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street,
Mumbai-40000, Maharashtra

Listing fees

Annual Listing fee for the year 2014-15 has been paid to Bombay Stock Exchange where the equity shares of the Company are listed in the Month of April, 2015 i.e. within the stipulated time.

Payment of Depository Fees

Annual Custodian / Issuer Fee for the year 2014-2015 has been paid to the NSDL and CDSL .

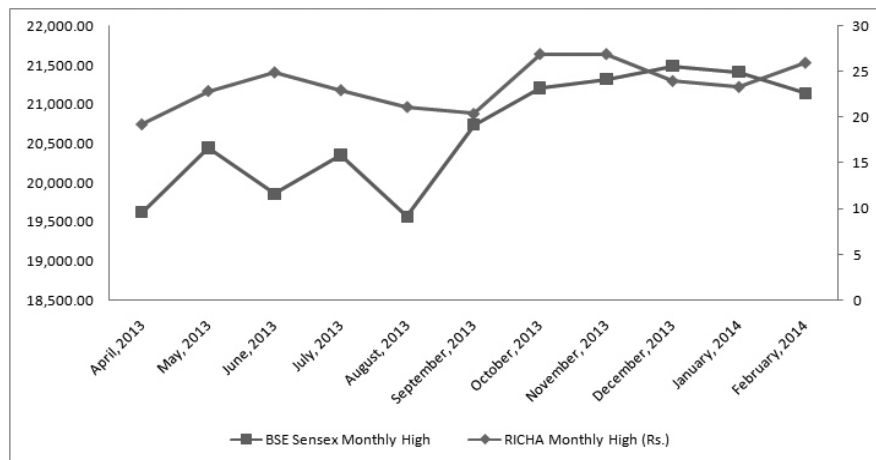
Stock Code

Scrip Code – Bombay Stock Exchange – 532766
ISIN for Equity Shares – INE516H01012

Stock Market Data

Monthly high and low prices of equity shares of Richa Industries Limited at the Bombay Stock Exchange Limited (BSE) during the year under review in comparison to BSE (Sensex) are given hereunder:

| MONTH | RICHA | | SENSEX | |
|-----------------|------------|-----------|-----------|-----------|
| | High (Rs.) | Low (Rs.) | High | Low |
| April, 2013 | 19.25 | 13.05 | 19,622.68 | 18,144.22 |
| May, 2013 | 22.90 | 13.30 | 20,443.62 | 19,451.26 |
| June, 2013 | 24.95 | 16.05 | 19,860.19 | 18,467.16 |
| July, 2013 | 23.00 | 19.75 | 20,351.06 | 19,126.82 |
| August, 2013 | 21.15 | 18.40 | 19,569.20 | 17,448.71 |
| September, 2013 | 20.40 | 16.00 | 20,739.69 | 18,166.17 |
| October, 2013 | 26.95 | 15.80 | 21,205.44 | 19,264.72 |
| November, 2013 | 26.95 | 21.10 | 21,321.53 | 20,137.67 |
| December, 2013 | 24.00 | 19.00 | 21,483.74 | 20,568.70 |
| January, 2014 | 23.35 | 18.35 | 21,409.66 | 20,343.78 |
| February, 2014 | 26.00 | 21.05 | 21,140.51 | 19,963.12 |
| March, 2014 | 25.50 | 20.25 | 22,467.21 | 20,920.98 |



Registrar & Share Transfer Agent

M/s Link Intime India Private Limited, Mumbai has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialization, rematerialisation etc. can be made at the following address:

LINK INTIME INDIA PRIVATE LIMITED

| | | |
|----------------|--|--|
| Address | Mumbai Office C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai-400 078 Maharashtra, India | Delhi Office 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase-I Near PVR, Naraina New Delhi- 110028 Delhi, India |
| Telephone | 022-2596 3828 | 011-41410592,94/25896893/ 25897309 |
| Contact Person | Mr. Ganesh Kumar | Mr. Bharat Bhushan |
| Email | mumbai@linkintime.co. | delhi@linkintime.co.in |
| Website | www.linkintime.co.in | www.linkintime.co.in |
| Timing | Monday to Friday, 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m. | |

Share Transfer System

Shares sent for transfer in physical form are processed and transfer is completed by our Registrar and Share Transfer Agent within a period of 7 days from the date of receipt, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. Share Transfer Requests under objection are returned within two weeks.

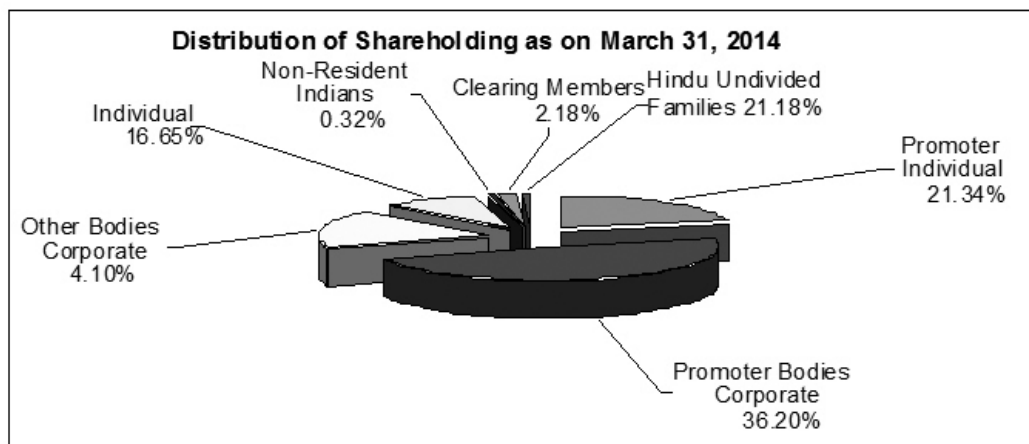
Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares dematerialized is as follows:

- Shareholder submits the share certificates along with Dematerialization Request Form (DRF) to Depository Participant (DP).
 - DP processes the DRF and generates a unique Dematerialization Request No.
 - DP forwards DRF and share certificates to Registrar and Share Transfer Agent (RTA).
 - RTA after processing the DRF confirms or rejects the request to Depositories.
 - If confirmed by the RTA, Depositories give credit to shareholder in his account maintained with DP.
- This process takes approximately 10-15 days from the date of receipt of DRF.

As trading in shares of the Company can be done only in electronic form, it is advisable that the shareholders who have shares in physical form get their shares dematerialized

Shareholding Pattern as on March 31, 2014

| CATEGORY | | NO. OF SHARE HELD | PERCENTAGE OF SHARE-HOLDING |
|------------|--|-------------------|-----------------------------|
| (A) | Shareholding of Promoter and Promoter Group | | |
| 1 | Indian | | |
| (a) | Individuals/ Hindu Undivided Family | 4725555 | 21.18 |
| (b) | Bodies Corporate | 8078774 | 36.20 |
| | Sub Total(A)(1) | 12804329 | 57.38 |
| 2 | Foreign | | |
| | Sub Total(A)(2) | | |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 12804329 | 57.38 |
| (B) | Public shareholding | | |
| 1 | Institutions | | |
| | Sub-Total (B)(1) | | |
| 2 | Non-institutions | | |
| (a) | Bodies Corporate | 912102 | 4.10 |
| (b) | Individuals | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh* | 1177513 | 5.27 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 6864439 | 11.48 |
| (c) | Any Other | | |
| (c-i) | Non-Resident Indians | 174070 | 0.32 |
| (c-ii) | Clearing Members | 382547 | 2.18 |
| (c-iii) | Hindu Undivided Families | - | - |
| | Sub-Total (B)(2) | 9510671 | 42.62 |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | 9510671 | 42.62 |
| | TOTAL (A)+(B) | 22315000 | 100.00 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | |
| | GRAND TOTAL (A)+(B)+(C) | 22315000 | 100.00 |



The distribution of shareholding as on 31st March, 2014 is given below

| Shares holding of nominal value of | Share holders | | Physical | SHARES | | Total | |
|------------------------------------|---------------|--------|------------|------------|------------|----------|------------|
| | | | | NSDL Demat | CDSL Demat | | |
| Rs. | Rs. | Number | % of total | (In Rs.) | (In Rs.) | (In Rs.) | % to total |
| 1 | -- 500 | 1899 | 73.60 | 83 | 194668 | 83555 | 1.2472 |
| 501 | -- 1000 | 263 | 10.19 | | 146945 | 64378 | 0.9470 |
| 1001 | -- 2000 | 159 | 6.19 | | 176823 | 66767 | 1.0916 |
| 2001 | -- 3000 | 55 | 2.13 | | 91844 | 47796 | 0.6258 |
| 3001 | -- 4000 | 28 | 1.08 | | 70806 | 30940 | 0.4560 |
| 4001 | -- 5000 | 20 | 0.77 | | 65819 | 28529 | 0.4228 |
| 5001 | -- 10,000 | 31 | 1.20 | | 157371 | 80273 | 1.0650 |
| 10,001 | -- ----- | 125 | 4.84 | | 12555790 | 8452613 | 94.1448 |
| ** TOTAL ** | | 2580 | 100.00 | 83 | 13460066 | 8854851 | 100.00 |

Dematerialization of shares and liquidity

99.99 % of the Paid up Equity Share Capital of the Company is in the dematerialized form as on March 31, 2014

Corporate Benefits to the Investors'

Dividend Declared for the Last 4 years

| Financial Year | Dividend Declaration | Dividend Per Share* |
|----------------|----------------------|---------------------|
| 2009-2010 | 13 September, 2010 | 0.50 |
| 2010-2011 | 13 September, 2011 | 0.50 |
| 2011-2012 | 15 September, 2012 | 0.50 |
| 2012-2013 | 13 September, 2013 | 0.50 |

- Share of Paid up value of Rs 10 per share.

Plant Locations

The Company's manufacturing facilities are located at the following locations:

| Knitting, Dyeing and Processing Division | PEB Division |
|---|--|
| Village Kawnra, Kheri-Jasana Road, Near Lingayas Institute of Management & Technology Faridabad-121101, Haryana | 8 th km Stone, Ramnagar Road, NH 121, Kashipur, Udam Singh Nagar, Uttrakhand-244713 |

Address for Correspondence

(a) Investor Correspondence: For any query in relation to the shares of the Company.

For Shares held in Physical Form:

LINK INTIME INDIA PRIVATE LIMITED

| | | |
|-----------------------|--|--|
| Address | Mumbai Office C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai-400 078 Maharashtra, India | Delhi Office A-40, 2 nd Floor, Naraina Indl. Ar Phase-II, Near Batra Banquet New Delhi-110 028 Delhi, India |
| Telephone | 022-2594 6970/2596 3838 | 011-4141 0592/94, 25896893/25897309 |
| Contact Person | Mr. Ganesh Kumar | Mr. Bharat Bhushan |
| Email | mumbai@linkintime.co. | delhi@linkintime.co.in |

Timing : Monday to Friday, 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.

For Shares held in Demat Form:

To the Investors' Depository participant(s) and / or Link Intime India Private Limited at the above address.

(b) For grievance redressal and any query on Annual Report

| | |
|--|---|
| Secretarial Department Richa Industries Limited Plot No 29, DLF Industrial Area ,Phase-II Faridabad-121003, Haryana | Phone No. 91 129 4133968 Fax No. 91129 4133969 E-Mail: cs@richa.in Website: www.richa.in |
|--|---|

18. Compliance Certificate of the Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange and the same forms part of this Annual Report.

The Certificate from the Statutory Auditors will be sent to the Bombay Stock Exchange along with the Annual Report of the Company.

19. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary firm carries out Reconciliation of Share Capital Audit to

reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter by M/s AGB & Associates and the report thereon is submitted to the Bombay Stock Exchange. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

20. Observance of the Secretarial Standards Issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standards on important aspects like Board Meetings, General Meetings, Maintenance of Registers and Records, Minutes of Meetings and Transmission of Shares, etc. Though these standards are recommendatory in nature, the Company adheres to these standards voluntarily.

Declaration of the Chairman & Managing Director and Joint Managing Director

We, Sushil Gupta, Chairman & Managing Director and Dr. Sandeep Gupta, Joint Managing Director of Richa Industries Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes to accounts, as well as the Cash Flow Statement and the Directors' Report.
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
3. Based on our knowledge and information, these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
5. We accept responsibility for establishing and maintaining internal control system for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Further we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
6. We have indicated to the Company's Auditors and the Audit Committee significant changes in internal control over financial reporting during the year and significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

For Richa Industries Limited

Sushil Gupta
Chairman & Managing Director

Place : Faridabad
Date : 30.05.2014

For Richa Industries Limited

Dr. Sandeep Gupta
Jt. Managing Director

AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

To the Members of
Richa Industries Limited

1. We have examined the compliance of conditions of Corporate Governance by Richa Industries Limited, ('the Company') for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s)
2. The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring compliance with 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 to the best of our information and according to the explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied in all material respects with the requirements & conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Tayal & Co
Chartered Accountants
(Regd No.001845N)

(CA R.A. Gupta)
Partner
Membership No 080997

Place : Faridabad

Date : 30.05.2014

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To
The Board of Directors
Richa Industries Limited
Faridabad

1. We have reviewed the financial statements and cash flow statement of Richa Industries Limited for the year ended 31st March, 2014 and to the best of our knowledge and belief:
 - i. these 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 & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014, which are fraudulent, illegal or in violation to the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting.
We have not come across any reportable deficiencies in the design or operation of such controls.
4. We have indicated to the Auditors and the Audit Committee :
 - i. that there are no significant changes in internal control over financial reporting during the year.
 - ii. that there are no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of significant fraud of which we have become aware, involving management or any employee having a significant role in the Company's internal control system.

Place: Faridabad
Date: May 30, 2014

CA Prannath Singh
DGM - Accounts & Finance

Sushil Gupta
Chairman & Managing Director

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT.

As provided under clause 49 of the Listing agreement with the Stock Exchanges, all Board Members and senior Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the financial year 2013-2014.

Place: Faridabad
Date: May 30, 2014

Sushil Gupta
Chairman & Managing Director

AUDITORS' REPORT

**To the Members of
Richa Industries Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of RICH INDUSTRIES LIMITED ("the company"), which comprise the Balance Sheet as at 31st March, 2014, the statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standard referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Sec. 133 of the Companies Act 2013. This responsibility includes the designs, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimated made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 ;
- b) In the case of the Statements of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statements, of the cash flows for the year ended on that date.

Reports on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the Order.
2. As required by Section 227(3) of the Act, we report that
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred in sub section (3C) of Section 211 of the Companies Act 1956 read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Sec.133 of the Companies Act 2013.
- e. On the basis of written representations received from the directors as on March 31, 2014 and taken on records by the Board of Directors, none of the director is disqualified as on March 31, 2014 from the being appointed as directors in terms of Section 274(1)(g) of the Act.

For Tayal & Co
Chartered Accountants
(Firm Registration No.001845N)

(CA R.A. Gupta)
Partner
Membership No 080997

Place: Faridabad
Date: 30.05.2014

ANNEXURE TO AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
(b) As explained to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification;
(c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) In respect of Inventories
(a) The inventory has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable;
(b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
(c) The Company has maintained proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the books records;
- (iii) (a) The company has not granted any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under Sec 301 of the Act. Accordingly Clause 3(b), 3(c) 3(d) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company;
(b) The Company has taken unsecured loan from company, firms, parties covered in register maintained under section 301 of the Act. The number of parties is two (Richa Building Systems Pvt. Ltd. Rs. 1792.15 Lac and Richa Holdings Ltd. Rs. 1044.34 Lac) amount involved is Rs. 2836.49 Lac. The Company has not taken any secured loan

from company, firms, parties covered in register maintained under section 301 of the Act;

(c) Rate of interest is Nil and other terms and conditions of unsecured loans taken by the company, are not prima facie prejudicial to the interest of the company; and

(d) Repayment of principal amounting to Rs 780.74 Lacs (Two parties).

(e) Balance outstanding as on 31.03.2014 is Rs 2836.49 Lac (Two party), which is repayable on demand.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any weakness in internal controls;
- (v) (a) In respect of contracts or arrangements referred to in Section 301 of the Act all particulars have been entered in the register required to be maintained under that section; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.500000/- (Rupees Five Lac Only) in respect of each party during the year have been made at prices which appear reasonable as per information available with the company;
- (vi) According to the information and explanations given to us, the company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the order are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
- (b) As per the records of the Company, the Company has no disputed dues of Sales Tax/Custom Duty/Excise Duty/Service Tax/Education Cess / Wealth Tax / as on 31st March, 2014 except Income Tax detail of which are as under

| Nature of Dues | Assessment Year | Demand Raised | Forum where dispute is pending. |
|----------------|-----------------|-----------------------------------|---|
| Income Tax | 2005-06 | Rs. 11,17,737/- u/s 143(3)/147 | The company has filed an appeal before ITAT, New Delhi which is pending till date. |
| Income Tax | 2010-11 | Rs. 17,14,901/- U/s 143(3) | The company has filed an appeal before CIT(Appeal), Faridabad which is pending till date. |
| Income Tax | 2011-12 | Rs. 5,98,854/- u/s 143(3) | The company has filed an appeal before CIT(Appeal), Faridabad which is pending till date. |

- (x) The Company does not have accumulated losses as at the end of financial year. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, and debentures holders.
- (xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / societies. Therefore, the provisions of clause (xiii) of paragraph 4 of the Orders are not applicable to the Company.
- (xiv) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures, and other investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- (xvi) The Company has not raised new terms loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment;
- (xviii) The Company has made preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956. In our opinion the price at which shares has been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures;
- (xx) The Company has not raised any money by way of public issue during the year under audit;
- (xxi) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For Tayal & Co
Chartered Accountants
(Firm Registration No.001845N)

(CA R.A. Gupta)
Partner
Membership No 080997

Place : Faridabad
Date : 30.05.2014

Balance Sheet as at 31st March, 2014

Amount in Rs.

| PARTICULARS | Note No. | As at 31-03-2014 | As at 31-03-2013 |
|---|-------------|--------------------------|--------------------------|
| 1 EQUITY AND LIABILITES | | | |
| Shareholders funds | | | |
| (a) Share Capital | 1 | 22,40,19,040.00 | 17,01,24,580.00 |
| (b) Reserves and Surplus | 2 | 83,41,41,106.52 | 68,88,03,555.89 |
| (c) Money Received against share warrants | | - | - |
| 2 Share application money pending allotment | | - | - |
| 3 Non-current liabilities | | | |
| (a) Long term borrowings | 3 | 76,62,22,794.20 | 91,79,85,910.00 |
| (b) Deferred tax liabilities(Net) | | 9,11,96,852.16 | 9,15,03,739.05 |
| (c) Other Long term liabilities | 4 | 6,08,88,439.00 | 1,14,45,246.00 |
| (d) Long term provisions | 5 | 1,18,50,773.00 | 99,59,410.00 |
| 4 Current Liabilities | | | |
| (a) Short term borrowings | 6 | 1,04,03,80,108.96 | 1,03,99,87,836.86 |
| (b) Trade payables | 7 | 77,60,05,553.33 | 46,43,63,440.95 |
| (c) Other current liabilities | 7(a) | 35,41,07,618.99 | 18,46,56,736.14 |
| (d) Short term provisions | 8 | 3,88,00,258.94 | 5,46,31,722.00 |
| TOTAL | | 4,19,76,12,545.10 | 3,63,34,62,176.89 |
| ASSETS | | | |
| 1 Non Current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 1,49,49,41,857.94 | 1,55,74,93,316.02 |
| (ii) Intangible assets | 10 | 83,67,869.57 | 65,59,415.74 |
| (iii) Capital Work-in-progress | | - | 4,13,34,305.64 |
| (iv) Intangible assets under development | | - | - |
| (b) Non current investments | 11 | 72,00,000.00 | 72,00,000.00 |
| (c) Deferred tax assets (NET) | | - | - |
| (d) Long term loans and advances | | - | - |
| (e) Other non-current assets | 12 | - | - |
| 2 Current Assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 13 | 1,60,78,62,161.04 | 1,18,63,84,538.85 |
| (c) Trade receivables | 14 | 89,87,54,113.54 | 71,78,81,154.46 |
| (d) Cash and cash equivalents | 15 | 5,74,86,955.66 | 3,98,30,455.21 |
| (e) Short term loans and advances | 16 | 12,29,99,587.35 | 7,67,78,990.97 |
| (f) Other current assets | | - | - |
| TOTAL | | 4,19,76,12,545.10 | 3,63,34,62,176.89 |

See accompanying notes to the financial statements
As per our report of even date attached

For **Tayal & Co.**
Chartered Accountants
Firm Reg.No.001845N

(CA R.A Gupta)
Partner
M.No 080997
Place- Faridabad
Date-30.05.2014

CA Pran Nath Singh
DGM - Accounts & Finance

Gaurav Yadav
Company Secretary
M.No. 28484

for and on the Behalf of the Board of
Directors of Richa Industries Limited

Dr.Sandeep Gupta
Jt Managing
Director
DIN : 00035751

Sushil Gupta
Chairman cum
Managing Director
DIN : 00035854

Form of Statement of Profit and Loss for the year ended 31st March, 2014

Amount in Rs.

| | Particulars | Note no. | As at 31-03-2014 | As at 31-03-2013 |
|-------|---|----------|--------------------------|--------------------------|
| I. | Revenue from operations | 17 | 2,76,50,07,303.51 | 2,69,60,17,299.26 |
| II. | Other Income | 18 | 1,04,15,345.60 | 1,77,49,579.43 |
| III. | Total revenue(I+II) | | 2,77,54,22,649.11 | 2,71,37,66,878.69 |
| IV. | Expenses: | | | |
| | Cost of materials consumed | 19 | 1,96,50,03,220.36 | 1,81,27,66,166.27 |
| | Changes in inventories of finished goods work-in-progress | 20 | -7,43,42,596.44 | -30,38,580.14 |
| | Employee benefits expenses | 21 | 17,03,28,952.80 | 14,90,01,336.00 |
| | Finance costs | 22 | 22,56,30,414.01 | 23,33,70,793.81 |
| | Depreciation and amortization expenses | 23 | 6,09,05,062.44 | 7,50,37,111.54 |
| | Other cost | 24 | 24,21,63,363.81 | 21,72,25,161.92 |
| | Total expenses | | 2,58,96,88,416.98 | 2,48,43,61,989.40 |
| V | Profit before exceptional and extraordinary items and tax(III-IV) | | 18,57,34,232.13 | 22,94,04,889.29 |
| VI. | Exceptional Items | | - | - |
| VII. | Profit before extraordinary items and tax(v-vi) | | 18,57,34,232.13 | 22,94,04,889.29 |
| VIII. | Extraordinary Items | 25 | 9,44,59,953.45 | 8,11,02,840.10 |
| IX. | Profit before tax (VII-VIII) | | 9,12,74,278.68 | 14,83,02,049.19 |
| X. | Tax expenses: | | | |
| | (1) Current tax | | 1,64,35,148.94 | 2,40,00,000.00 |
| | (2) Deferred tax | | -3,06,886.89 | -1,12,25,445.18 |
| | (3) Tax Paid for Earlier Years | | -1,89,88,116.00 | 18,97,190.00 |
| XI. | Profit(Loss) for the period from continuing Operations(IX-X) | | 9,41,34,132.63 | 13,36,30,304.37 |
| XII. | Profit(Loss)from discontinuing operations | | - | - |
| XIII. | Tax expenses of discontinuing operations | | - | - |
| XIV. | Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII) | | - | - |
| XV. | Profit(Loss) for the period(XI+XIV) | | 9,41,34,132.63 | 13,36,30,304.37 |
| XVI. | Earnings per equity share: | | | |
| | (1) Basic | 26 | 4.09 | 8.76 |
| | (2) Diluted | 26 | 4.22 | 7.90 |

See accompanying notes to the financial statements

As per our report of even date attached

For **Tayal & Co.**
Chartered Accountants
Firm Reg.No.001845N

(CA R.A Gupta)
Partner
M.No 080997
Place- Faridabad
Date-30.05.2014

CA Pran Nath Singh
DGM - Accounts & Finance

Gaurav Yadav
Company Secretary
M.No. 28484

for and on the Behalf of the Board of
Directors of Richa Industries Limited

Dr.Sandeep Gupta
Jt Managing
Director
DIN : 00035751

Sushil Gupta
Chairman cum
Managing Director
DIN : 00035854

Cash Flow Statement for the year ended 31st March 2014

Amount in Rs.

| | | Year Ended 31-03-14 | | Year Ended 31-03-2013 | |
|---|---|---------------------|--------------------------|-----------------------|--------------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| | Net Profit Before Tax as per statement of Profit & Loss | | 9,12,74,278.68 | | 14,83,02,049.19 |
| | Adjustment for : | | | | |
| | Depreciation | 6,09,05,062.44 | | 7,50,37,111.54 | |
| | Interest Paid | 20,07,98,614.05 | | 22,10,56,674.12 | |
| | Bad Debts Written Off | 84,40,295.53 | | 31,03,380.71 | |
| | Effect of Exchange Rate Change | (14,50,870.05) | | (1,74,453.00) | |
| | (Profit)/Loss on sale of fixed assets | 9,44,59,953.45 | | 1,36,02,840.10 | |
| | Pre-operative Exps Written Off/Added(Net) | - | | 1,00,000.00 | |
| | | | 36,31,53,055.42 | | 31,27,25,553.47 |
| | Operating profit before working capital changes | | 45,44,27,334.10 | | 46,10,27,602.66 |
| | Adjustment for : | | | | |
| | Trade and other receivables | (21,54,46,957.94) | | (25,30,69,144.43) | |
| | Inventories | (42,14,77,622.19) | | (22,97,69,563.91) | |
| | Trade Payable & Other Liabilities | 48,39,83,868.23 | | 28,40,51,727.52 | |
| | | | (15,29,40,711.90) | | (19,87,86,980.82) |
| | Cash generated from Operations | | 30,14,86,622.20 | | 26,22,40,621.84 |
| | Taxes Paid (Net) | | 2,35,96,867.60 | | 2,57,22,736.93 |
| | NET CASH/(USED IN) FROM OPERATING ACTIVITIES | | 27,78,89,754.60 | | 23,65,17,884.91 |
| B | CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| | Purchase of Fixed Assets | | (6,76,88,731.40) | | (12,20,87,430.35) |
| | Work in Progress/Advances for Capital Goods | | - | | (3,66,73,713.64) |
| | Sale of fixed assets | | 1,44,01,026.00 | | 5,56,35,857.00 |
| | NET CASH/(USED IN) FROM INVESTING ACTIVITIES | | (5,32,87,705.40) | | (10,31,25,286.99) |
| C | CASH FLOW FROM FINANCING ACTIVITIES : | | | | |
| | Proceeds(Repayment) from Preferential Allotment of Eq. Shares | | 10,82,29,685.00 | | - |
| | Proceeds(Repayment) from Long Term Bank Borrowings | | (13,97,88,363.80) | | (5,82,85,271.00) |
| | Proceeds/(Repayment) of Unsecured Loans | | (1,19,74,752.00) | | 5,26,85,000.00 |
| | Proceeds(Repayment) from Long Term other Borrowings | | 5,13,34,556.00 | | (1,44,58,220.28) |
| | Proceeds from/(Repayment of) Short Term Borrowings | | 3,92,272.10 | | 11,22,98,021.02 |
| | Dividend paid along with CDT | | (1,43,40,332.00) | | (84,62,777.00) |
| | Interest Paid | | (20,07,98,614.05) | | (22,10,56,674.12) |
| | NET CASH/(USED IN) FROM FINANCING ACTIVITIES | | (20,69,45,548.75) | | (13,72,79,921.38) |
| | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 1,76,56,500.45 | | (38,87,323.46) |
| | Opening Balance of Cash & Cash Equivalents | | 3,98,30,455.21 | | 4,37,17,778.67 |
| | Closing Balance of Cash & Cash Equivalents | | 5,74,86,955.66 | | 3,98,30,455.21 |

As per separate Report of even date attached

For **Tayal & Co.**
Chartered Accountants
Firm Reg.No.001845N

(CA R.A Gupta)
Partner
M.No 080997
Place- Faridabad
Date-30.05.2014

CA Pran Nath Singh
DGM - Accounts & Finance

Gaurav Yadav
Company Secretary
M.No. 28484

for and on the Behalf of the Board of
Directors of Richa Industries Limited

Dr.Sandeep Gupta
Jt Managing
Director
DIN : 00035751

Sushil Gupta
Chairman cum
Managing Director
DIN : 00035854

Notes forming parts of the financial statements for the year ended 31st March 2014

SIGNIFICANT ACCOUNTING POLICIES

i) **Basis of Preparation of Financial Statements**

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principal in India and the provisions of the Companies Act, 1956. Accounting policies have been consistently applied, unless otherwise stated, ongoing concern basis.

The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis, unless stated otherwise.

ii) **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

iii) **Fixed Assets**

Tangible Assets

Tangible Fixed Assets are stated at cost net of CENVAT/Value Added Tax, any subsidy less accumulated depreciation and impairment loss if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance

Assets which are not ready for their intended use are shown as capital work –in – progress.

Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to intangible assets.

iv) **Depreciation**

Depreciation on fixed assets is provided on the straight – line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956 over the useful life of the assets.

v) **Foreign Currency Transactions**

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction

(b) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by foreign exchange contracts, the transaction is recorded at the rate when the same was incurred. The premium paid on forward contracts is recognized only when the forward contract is matured.

(c) Non – monetary foreign currency items are carried at cost.

(d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit or loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

Notes forming parts of the financial statements for the year ended 31st March 2014

vi) Investments

Current Investments are carried at the lower of cost or quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

vii) Inventories

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any. In case of raw materials, packing material, stores and spares, the cost includes duties and taxes (Net of CENVAT/VAT, wherever applicable) and is arrived on FIFO basis. Finished goods & WIP cost includes the cost of raw materials, an appropriate share of fixed and variable overheads on the basis of standard cost method and other costs bringing them to their respective present location and condition. Obsolete, defective and unserviceable stocks are provided for wherever required.

viii) Revenue Recognition/Turnover

- (a) Turnover includes sale of goods, services, adjusted for discounts, net of returns. Sales are recognized when goods are supplied and are recorded freight charges realized from customers but exclude trade discounts and rebates. Export incentive receivable in cash is recognized as income on export being made. Export sales include goods invoiced against confirmed orders /LC.
- (b) Revenue is recognized only when it is reasonable to expect ultimate collection. Interest is recognized on the time proportion basis taking into account amount outstanding and rate applicable. The income & expenditure are accounted for on accrual basis.

ix) Employees' Retirement Benefits

- (a) Short - term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (b) Post-employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at present value of the amounts payable determined using actuarial valuation technique . Actuarial gains and losses in respect of post-employment and other long term benefit are charged to the profit and loss account.

x) Deferred revenue Expenditure

Pre - operative expenditure/Deferred Revenue Expenditure are being amortized over a period of 5 Years.

xi) Provision of Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing Differences" between taxable and accounting incomes is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty supported with convincing evidence that the asset will be realized in future.

xii) Dues to Micro, Small & Medium enterprises

The classification of the suppliers under Micro, Small and Medium Enterprises Development Act, 2006 is made on the basis of information made available to the company. No principal amount or interest amount remain unpaid to such Micro and Small enterprises as on 31.03.2014 and no payments were made to such enterprises beyond the "appointed day" during the year. Also the company has not paid any interest in terms of Section 16 of the above mentioned act or otherwise.

Notes forming parts of the financial statements for the year ended 31st March 2014

xiii) Sales / Transfers

Inter-Unit transfers of finished goods for captive consumption are valued at market price. The value of such inter-unit transfers is included in the materials consumption of consuming units. The year-end stock of such transferred goods is valued at cost.

xiv) Sundry Debtors

Sundry debtors are stated after writing off- bad debts.

xv) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed on the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

xvi) Expenditure during Construction

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized. In respect of substantial expansion of business at existing location only direct costs are capitalized together with interest on the funds related to them up to the date of commercial production.

xvii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss Account.

xviii) Impairment of Assets

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in Prior accounting period is reversed if there has been a change in estimate of recoverable amount.

xix) Leases

Leases rentals in respect of finance lease are segregated into cost of assets and interest component by applying the implicit rate of return.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

xx) Government Grants

Any govt grants, subsidy of capital nature is reduced from the cost of respective fixed assets and other grants, subsidies of revenue nature are net off against the respective expenses.

Notes forming parts of the financial statements for the year ended 31st March 2014

Amount in Rs.

| PARTICULARS | As at 31.03.2014 | As at 31.03.2013 |
|--|------------------------|------------------------|
| 1) Share Capital | | |
| I) Authorised Share Capital 30000000 (PY 30000000) Equity Shares of Rs 10 each | 30,00,00,000.00 | 30,00,00,000.00 |
| II) Issued Share Capital 22488808 (PY 17099362) Equity Shares of Rs 10 each | 22,48,88,080.00 | 17,09,93,620.00 |
| III) Subscribed and paid up 22315000 (PY 16925554) Equity Shares of Rs 10 each fully paid up Out of Which :- 8826192 Equity shares of Rs 10 each fully paid up at a premium of Rs 20.00 each 1114446 Equity shares of Rs 10 each fully paid up at a premium of Rs 10.875 each 4275000 Equity shares of Rs 10 each fully paid up at a premium of Rs 9.875 each (PY 8826192 Equity shares of Rs 10 each fully paid up at a premium of Rs 20.00 each) | 22,31,50,000.00 | 16,92,55,540.00 |
| IV) Forfeited shares 173808 (PY 173808) Equity Shares of Rs 10/- each forfeited amount @ Rs 5 each | 8,69,040.00 | 8,69,040.00 |
| TOTAL | 22,40,19,040.00 | 17,01,24,580.00 |

- i) The Company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share.
- ii) In the event of liquidation, the equity shareholders are eligible to received the remaining assets of the company, after distribution of all preferential amount, in proportion of their share holding.

Notes forming parts of the financial statements for the year ended 31 March 2014

A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| At the Beginning of the Year | 1,70,99,362.00 | 17,09,93,620.00 | 1,70,99,362.00 | 17,09,93,620.00 |
| Issued during the year by way of Preferential Allotment | 53,89,446.00 | 5,38,94,460.00 | - | - |
| Bought back if any | - | - | - | - |
| Outstanding at the end of Year | 2,24,88,808.00 | 22,48,88,080.00 | 1,70,99,362.00 | 17,09,93,620.00 |

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

| Name of the Shareholders | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--------------------------|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares | % of Holding |
| Sushil Gupta | 1055706 | 4.73 | 1055706 | 6.24 |
| Sandeep Gupta | 1152968 | 5.16 | 1152968 | 6.81 |
| Richa Holding Limited | 7621156 | 34.16 | 7621156 | 45.03 |

2) Reserve and Surplus

(a) Capital Reserve

| | | |
|------------------------------------|---------------------|---------------------|
| Opening balance | 12,15,000.00 | 12,15,000.00 |
| Addition during the year | - | - |
| Less: written back during the year | - | - |
| | 12,15,000.00 | 12,15,000.00 |

(b) Security Premium Reserve

| | | |
|---------------------------------|------------------------|------------------------|
| Opening balance | 14,59,89,166.04 | 14,59,89,166.04 |
| Addition during the year | 5,43,35,225.00 | - |
| Less: deduction during the year | - | - |
| | 20,03,24,391.04 | 14,59,89,166.04 |

(c) General Reserve

| | | |
|---------------------------------|-----------------------|-----------------------|
| Opening balance | 1,67,80,144.42 | 1,00,98,629.20 |
| Addition during the year | 47,06,706.63 | 66,81,515.22 |
| Less: deduction during the year | - | - |
| | 2,14,86,851.05 | 1,67,80,144.42 |

(d) Surplus of Profit and Loss a/c

| | | |
|--|-----------------|-----------------|
| Opening balance | 52,48,19,245.43 | 40,77,06,107.28 |
| Addition during the year | 9,41,34,132.63 | 13,36,30,304.37 |
| Less: Final Dividend (for F.Y. 12 -13) | 26,94,723.00 | 84,62,777.00 |
| Less: Tax on Final dividend (for F.Y.12 -13) | 4,37,084.00 | 13,72,874.00 |
| Less: Transfer to General reserves | 47,06,706.63 | 66,81,515.22 |

| | | |
|--------------|------------------------|------------------------|
| TOTAL | 61,11,14,864.43 | 52,48,19,245.43 |
|--------------|------------------------|------------------------|

| | | |
|-----------------|------------------------|------------------------|
| TOTAL (a+b+c+d) | 83,41,41,106.52 | 68,88,03,555.89 |
|-----------------|------------------------|------------------------|

Notes forming parts of the financial statements for the year ended 31 March 2014

3) Long Term Borrowings

(a) Secured loan

(i) Term Loan

| | | |
|---------------|-----------------|-----------------|
| --From Banks | 48,25,73,546.20 | 62,23,61,910.00 |
| --From Others | - | - |

TOTAL

| | | |
|-----------------|--|-----------------|
| 48,25,73,546.20 | | 62,23,61,910.00 |
|-----------------|--|-----------------|

Nature of Security and terms of repayment for Long term secured borrowing :

Textile Division

Nature of Security

I. Term Loan amounting to Rs. 00.00 (March 31st 2013 Rs.38,60,189.00) is secure by Hypothecation of machinery purchased.

II. Term Loan amounting to Rs. 2,42,04,000 (March 31st 2013Rs. 3,71,88,850.00) is secure by equitable mortgage of land and building thereon and Hypothecation of machinery purchased.

III. Term Loan amounting to Rs.0.00 (March 31st 2013 Rs.1,29,17,311.00) is secure by equitable mortgage of land and building at Kanwara village and plot no. 4, Sector-7, IMT Manesar, Gurgaon, and Hypothecation of machinery (First charge).

IV. Term Loan amounting to Rs. 16,29,52,000.20 (March 31st 2013 Rs.19,24,85,175.00) is secure by equitable mortgage of building and Hypothecation of Machinery purchased

Terms of Repayment

Repayable in 16 quarterly instalment of Rs. 7.50 Lakhs each after 12 month holiday period. Repayment commenced from 31.11.2009.

Repayable in 28 quarterly instalment of Rs. 24.30 Lakhs each repayment commenced from 01.12.2009.

Repayable in 69 monthly instalment detail is as under :

21 monthly instalment of Rs. 20 Lakhs each, next 24 monthly instalment of Rs. 50 Lakhs each, next 24 monthly instalment of Rs. 70 Lacs each repayment commenced from 31.07.2007

Repayable in 28 quarterly instalment as follows :
1st 12 quarterly instalments of Rs. 50 lack each,
2nd 08 quarterly instalment of Rs. 75 lacks each,
3rd 04 quarterly instalment of Rs. 100 lacks each and

4th 03 quarterly instalment of Rs. 162.50 lacks each, and

final instalment is Rs. 142.50 lacks. This quarterly instalment

PEB Division

V. Term Loan amounting to Rs. 16,05,90,186.00 (March 31st 2013 Rs. 19,91,44,831.00) is secure by first Pari Passu charge on the Project Land, building and other Project assets with Corporation Bank.

VI. Term Loan amounting to Rs. 7,17,23,165.00 (March 31st 2013 Rs. 10,13,25,046.00) is secure by Exclusive charge on entire fixed assets of the PEB Division of the company situated at Kashipur, Uttarakhand.

Commenced from 30.06.2011

Repayable in 72 monthly instalments of Rs. 30 Lacks Commencing from July 2012.

Repayable in 22 quarterly instalments as follows :

Rs. In Lakhs

| Year | Amount |
|------------|---------|
| FY 2010-11 | 50.00 |
| FY 2011-16 | 1500.00 |
| FY 2016-17 | 40.00 |
| | 1590.00 |

VII. Term Loan amounting to Rs. 6,31,04,195.00 (March 31st 2013 Rs. 7,54,40,508.00) is secure by Exclusive charge on entire fixed assets of the PEB Division of the company situated at kashipur, Uttarakhand.

Repayable in 22nd quarterly instalment. First 21 quarterly instalment is Rs.45 Lakhs each

Notes forming parts of the financial statements for the year ended 31 March 2014

2. Aggregate amount of loans guaranteed by

| | |
|--------------|--------------------|
| -- Directors | Rs.48,25,73,546.00 |
| --others | NIL |

3. Period and amount of continuing default as on the balance sheet date

| | |
|----------------------------|-----|
| --in repayment of loans | NIL |
| --in repayment of interest | NIL |

Un-Secured loan

(a) Loans and Advances from Related parties

| | | |
|---|-----------------|-----------------|
| -Richa Building Systems Private Limited | 17,92,15,000.00 | 16,02,50,000.00 |
| -Richa Holdings Limited | 10,44,34,248.00 | 13,53,74,000.00 |

TOTAL

| | |
|------------------------|------------------------|
| 28,36,49,248.00 | 29,56,24,000.00 |
|------------------------|------------------------|

1. As per the resolution of Board of Directors of the company have decided that the above loans was taken on long terms basis and no interest is payable on the above loan.

2. Period and amount of continuing default as on the balance sheet date

| | |
|----------------------------|-----|
| --in repayment of loans | NIL |
| --in repayment of interest | NIL |

TOTAL

| | |
|------------------------|------------------------|
| 76,62,22,794.20 | 91,79,85,910.00 |
|------------------------|------------------------|

4) Other Long term Liabilities

| | | |
|-------------------------|----------------|----------------|
| (a) Security refundable | 6,08,88,439.00 | 1,14,45,246.00 |
| (b) Others | - | - |

TOTAL

| | |
|-----------------------|-----------------------|
| 6,08,88,439.00 | 1,14,45,246.00 |
|-----------------------|-----------------------|

5) Long Term Provisions

| | | |
|------------------------------------|--------------|--------------|
| (a) Provision for employee benefit | | - |
| --Provision for Gratuity | 72,07,774.00 | 59,84,411.00 |
| --Provision for Leave Encashment | 46,42,999.00 | 39,74,999.00 |
| (b) others | - | - |

TOTAL

| | |
|-----------------------|---------------------|
| 1,18,50,773.00 | 99,59,410.00 |
|-----------------------|---------------------|

6) Short Term Borrowings

Secured loan

| | | |
|---------------------------------------|-------------------|-------------------|
| (a) Loans repayable on demand | - | - |
| --From Banks - Working capital Limits | 1,04,03,80,108.96 | 1,03,99,87,836.86 |
| --Others | - | - |

SUB TOTAL

| | |
|--------------------------|--------------------------|
| 1,04,03,80,108.96 | 1,03,99,87,836.86 |
|--------------------------|--------------------------|

1. Nature of Security

| Name of Bank | Amount (Rs) |
|----------------------|-----------------------|
| Indian Overseas Bank | Rs. 81,98,97,496.84 |
| Indian Overseas Bank | (Rs. 84,76,21,528.57) |

Notes forming parts of the financial statements for the year ended 31 March 2014

Prime Security :

Textile Division : Current Assets of the textile division of the company , including stock and book debts

PEB Division : First paripassu charge on the entire current assets of PEB division of the company including stock and book debts with corporation bank under multipul banking.

Collateral Security :

Textile Division : Working Capital facilities sanctioned for the textile division of the company will be secured by the residual values of land & Building of plot no. 4 & 5 ,sector - 7,IMT Manesar Gurgaon, Land and Building at VPO Kanwara, Kheri jasana road, faridabad and WDV of plant and machinery and other Fixed assets.

PEB Division : Working capital facilities sanctioned for the PEB division of the company will be collaterally secured by the residual values of land and Building at 8th KM stone,NH-121, Ram Nagar Road, Kashipur, Uttarakhand.

Corporation Bank Rs. 22,04,82,612.12

Corporation Bank (Rs.19,23,66,308.29)

Prime Security :

PEB Division : First paripassu charge on inventory/book debts/current assets of PEB division of the Company along with IOB.

Collateral Security :

PEB Division : Working capital facilities sanctioned for the PEB division of the company will be collaterally secured by paripassu first charge of residual values of land and Building at 8th KM stone, N.H -121, Ram Nagar Road, Kashipur, Uttarakhand, WDV OF Plant & Machinery and other fixed Assets of PEB Division.

2. Aggregate amount of loans guaranteed by

--Directors Rs.104,03,80,108.96

--others NIL

3. Period and amount of continuing default as on the balance sheet date

--in repayment of loans NIL

--in repayment of interest NIL

(Previous year figures are shown in Brackets)

| | | |
|---|--------------------------|--------------------------|
| TOTAL | 1,04,03,80,108.96 | 1,03,99,87,836.86 |
| 7) Trade Payables | | |
| Micro, Small and Medium Enterprises | - | - |
| Others | 77,60,05,553.33 | 46,43,63,440.95 |
| TOTAL | 77,60,05,553.33 | 46,43,63,440.95 |
| The detail of amounts outstanding to Micro, Small and Medium Enterprises (as defined under the MSMED Act 2006) based on available information with the Company is as under :- | | |
| Particulars | | |
| Principal amount due and remaining unpaid | NIL | - |

Notes forming parts of the financial statements for the year ended 31 March 2014

| | | | |
|---|-----|--------------------------|--------------------------|
| Interest due on above and the unpaid interest | NIL | - | - |
| Interest paid | NIL | - | - |
| Payment made beyond the appointed day during the year | NIL | - | - |
| Interest due and payable for the period of delay | NIL | - | - |
| Interest accrued and remaining unpaid | NIL | - | - |
| Amount of further interest remaining due and payable in succeeding years | NIL | - | - |
| 7(a) Other Current Liabilities | | | |
| Bills payable accepted under LC | | 22,04,92,566.00 | 7,02,11,629.00 |
| Total outstanding dues of creditors other (than micro enterprises due of creditor others) | | - | - |
| Creditors for capital goods | | 2,39,25,645.00 | 36,73,069.00 |
| Creditors for expenses | | 1,36,60,276.00 | 1,39,92,175.16 |
| Advances payment for which value has still to be given | | 8,94,17,073.74 | 9,14,02,464.00 |
| Unpaid final dividend | | 56,278.50 | 55,861.00 |
| Sales tax payable / WCT Payable | | 22,38,478.85 | 12,46,316.00 |
| TDS & TCS Payable | | 14,46,722.90 | 8,68,788.98 |
| Expenses payable | | 28,70,578.00 | 32,06,433.00 |
| TOTAL | | 35,41,07,618.99 | 18,46,56,736.14 |
| 8) Short Term Provisions | | | |
| (a) Provision for employee benefits | | | |
| (i) Payable PF, ESI & Welfare Fund | | 8,26,325.00 | 6,95,562.00 |
| (ii) Insurance, Pension and similar staff benefits | | 2,14,87,745.00 | 1,87,27,635.00 |
| (b) Others | | | |
| (i) Proposed final Dividend | | - | 84,62,777.00 |
| (ii) Tax on Proposed Dividend (A.Y. 12 -13 & 13 - 14) | | - | 27,45,748.00 |
| (iii) Provision for income tax (A.Y. 13 - 14) | | - | 2,40,00,000.00 |
| (iv) Provision for income tax (A.Y. 14 -15) | | 1,64,35,148.94 | - |
| (v) Provision for wealth tax (A.Y. 14-15) | | 51,040.00 | - |
| TOTAL | | 3,88,00,258.94 | 5,46,31,722.00 |
| 9) Tangible Assets | | | |
| (a) Land | | 23,49,92,606.04 | 20,62,21,406.04 |
| (b) - Factory Buildings | | 51,57,67,533.56 | 53,06,38,579.83 |
| - Other than Factory Buildings | | 6,26,05,199.72 | - |
| (c) Plant and Equipment | | 63,83,14,493.19 | 78,09,84,756.05 |
| (d) Furniture and Fixtures | | 94,73,588.07 | 73,28,837.41 |
| (e) - Vehicles (Commercial) | | 10,59,953.64 | - |
| - Vehicles (Other than Commercial) | | 99,18,434.47 | 1,26,54,026.96 |
| (f) Office equipment | | 1,80,96,769.28 | 1,46,56,776.45 |
| (g) Computer | | 45,10,024.38 | 45,04,415.62 |
| (h) Fax/Telephone | | 2,03,255.59 | 5,04,517.66 |
| TOTAL | | 1,49,49,41,857.94 | 1,55,74,93,316.02 |
| Depreciation chart to be specified as per Companies Act 1956 | | | |

Depreciation Chart

| Sr. No | Particulars | Gross Cost as on | | Additions/Acquisitions | | Subtraction/Disposals | | Total Cost as on 31.03.14 | Dep. Upto 01.04.13 | Depreciation for 31.03.14 | Depreciation W/Back | Total Dep. 31.03.14 | W.D.V. as on 31.03.14 | W.D.V. as on 31.03.13 |
|--------|--|-------------------|-----------------|------------------------|-----------------|-----------------------|-------------------|---------------------------|--------------------|---------------------------|---------------------|---------------------|-----------------------|-----------------------|
| | | 01.04.13 | 31.03.14 | Purchase | Transfer | Sale | Transfer | | | | | | | |
| | TANGIBLE ASSETS (A) | | | | | | | | | | | | | |
| 1 | Land | 20,62,21,406.04 | 2,87,71,200.00 | - | - | - | - | 23,49,92,606.04 | - | - | - | - | 23,49,92,606.04 | 20,62,21,406.04 |
| 2(i) | Factory Buildings | 58,79,87,840.32 | 10,48,295.00 | 16,80,896.34 | - | - | - | 59,07,17,031.66 | 5,73,49,260.49 | 1,76,00,237.61 | - | 7,49,49,498.10 | 51,57,67,533.56 | 53,06,38,579.83 |
| 2(ii) | Buildings (other than factory buildings) | - | 6,26,07,985.64 | - | - | - | - | 6,26,07,985.64 | - | 2,795.92 | - | 2,795.92 | 6,26,05,199.72 | - |
| 3 | Plant and Equipment | 98,55,85,792.78 | 19,96,676.00 | 17,03,683.16 | 14,46,98,480.86 | 35,34,579.50 | 20,45,81,036.73 | 84,10,33,092.14 | 20,45,81,036.73 | 3,64,86,508.44 | 3,83,48,946.22 | 20,27,18,588.95 | 63,83,14,483.19 | 78,09,84,756.05 |
| 4 | Furniture and Fixtures | 1,11,39,754.70 | 27,63,885.00 | 26,94,015.00 | - | 26,94,015.00 | 1,39,03,639.70 | 38,10,917.29 | 6,19,134.34 | - | - | 44,30,051.63 | 94,73,588.07 | 73,28,837.41 |
| 5(i) | Vehicles (commercial) | 57,13,016.00 | - | 29,44,228.00 | - | 29,44,228.00 | 57,13,016.00 | 39,44,654.85 | 7,08,407.51 | - | - | 46,53,062.36 | 10,59,953.64 | 17,68,361.15 |
| 5(ii) | Vehicles (other than commercial) | 1,27,83,216.96 | 2,53,210.00 | - | - | - | 1,30,36,426.96 | 18,97,551.15 | 12,20,441.34 | - | - | 31,17,992.49 | 99,18,434.47 | 1,08,85,665.81 |
| 6 | Office Equipment | 1,83,37,522.87 | 63,55,933.00 | 2,44,500.00 | 35,01,339.01 | 94,500.00 | 2,13,42,116.86 | 36,80,746.42 | 8,43,396.50 | 12,78,795.34 | - | 32,45,347.58 | 1,80,96,769.28 | 1,46,56,776.45 |
| 7 | Computer | 1,28,79,575.27 | 6,67,154.00 | 29,85,165.55 | - | 36,45,693.38 | 1,28,86,201.50 | 83,75,159.67 | 1,017.45 | - | - | 83,76,177.12 | 45,10,024.38 | 45,04,415.60 |
| 8 | Fax/PABX/Telephone | 7,34,618.86 | - | - | 4,74,389.00 | - | 2,60,229.86 | 2,30,101.20 | 12,360.92 | 1,85,487.86 | - | 56,974.26 | 2,03,255.59 | 5,04,517.66 |
| | TOTAL (A) | 1,84,13,62,743.80 | 10,44,64,346.64 | 1,22,52,488.05 | 14,86,74,208.87 | 1,29,13,015.88 | 1,79,64,92,356.36 | 28,38,69,427.80 | 57,94,300.03 | 3,98,13,229.42 | 3,98,13,229.42 | 30,15,50,468.41 | 1,49,49,41,857.94 | 1,55,74,93,316.00 |
| | INTANGIBLE ASSETS (B) | | | | | | | | | | | | | |
| | Computer Software | 1,39,63,966.81 | 45,58,688.40 | 6,60,527.83 | - | - | 1,91,83,183.04 | 74,04,551.07 | 34,10,762.40 | - | - | 1,08,15,313.47 | 83,67,869.57 | 65,59,415.74 |
| | TOTAL (B) | 1,39,63,966.81 | 45,58,688.40 | 6,60,527.83 | - | - | 1,91,83,183.04 | 74,04,551.07 | 34,10,762.40 | - | - | 1,08,15,313.47 | 83,67,869.57 | 65,59,415.74 |
| | GRAND TOTAL (A+B) | 1,85,53,26,710.61 | 10,90,23,037.04 | 1,29,13,015.88 | 14,86,74,208.87 | 1,29,13,015.88 | 1,81,56,75,539.40 | 29,12,73,978.87 | 6,09,05,062.44 | 3,98,13,229.42 | 3,98,13,229.42 | 31,23,63,811.89 | 1,50,33,09,727.51 | 1,56,40,52,731.74 |
| | PREVIOUS YEAR 12-13 | 1,83,36,09,566.45 | 12,20,87,430.35 | 17,71,72,311.97 | 10,03,70,286.19 | 17,71,72,311.97 | 1,85,53,26,710.61 | 24,73,68,456.34 | 7,50,37,111.54 | 3,11,31,589.00 | 3,11,31,589.00 | 28,12,73,978.88 | 1,56,40,52,731.73 | 1,58,62,41,110.12 |

Notes forming parts of the financial statements for the year ended 31 March 2014

| | | |
|---|--------------------------|--------------------------|
| 10) Intangible Assets | | |
| (a) Computer Software | 83,67,869.57 | 65,59,415.74 |
| TOTAL | 83,67,869.57 | 65,59,415.74 |
| 11) Non Current Investments | | |
| (a) Investment in Equity Instruments | 72,00,000.00 | 72,00,000.00 |
| --In Associates Companies (Unquoted, and stated at Cost Price) | | |
| 72000 Equity shares Face Value Rs 10/- Each Fully Paidup of Richa Infrasstructure Limited | | |
| (PY 72000 Equity shares Face Value Rs 10/- Each Fully Paidup of Richa Infrasstructure Limited) | | |
| TOTAL | 72,00,000.00 | 72,00,000.00 |
| 12) Other Non current Assets | | |
| Pre-opening Expenses | | |
| Opening Balance | - | 1,00,000.00 |
| Add: Addition during the year | - | - |
| Less: Written Off during the year | - | 1,00,000.00 |
| 13) Inventories | | |
| (a) Raw Materials | 1,19,11,34,867.46 | 84,46,07,378.64 |
| (b) Work in Progress | 15,53,46,257.26 | 14,22,83,833.92 |
| (C) Finished goods | 25,53,18,095.18 | 18,81,91,358.09 |
| (d) Stores & Spares | 60,62,941.14 | 1,13,01,968.20 |
| TOTAL | 1,60,78,62,161.04 | 1,18,63,84,538.85 |
| 14) Trade Receivables | | |
| (a) Outstanding for period exceeding Six Months | 9,23,80,876.41 | 8,47,48,811.49 |
| (b) Others | 80,63,73,237.13 | 63,31,32,342.97 |
| Sub Classification of Trade Receivables | | |
| (a) Secured Considered Good; | 1,62,62,573.00 | 4,34,17,907.00 |
| (b) Unsecured Considered Good; | 88,24,91,540.54 | 67,44,63,247.46 |
| (c) Doubtful | - | - |
| Receivables from Companies in which Director are Directors --Richa Infrastructure Limited | 24,82,025.94 | - |
| TOTAL | 89,87,54,113.54 | 71,78,81,154.46 |
| 15) Cash and cash Equivalents | | |
| (a) Cash and cash Equivalents | | |
| (i) Balance with banks in Current Accounts | 57,25,133.67 | 8,07,162.77 |
| (ii) Cash In Hand | 31,87,596.99 | 13,29,560.44 |
| (b) Earmarked Balances with Banks | | |
| (i) HDFC Bank -Unpaid Dividend FY 2009-10 | 20,821.50 | 20,821.50 |
| (ii) Yes Bank -Unpaid Dividend FY 2010 -11 | 34,621.50 | 34,621.50 |
| (iii) Yes Bank -Unpaid Dividend FY 2011 -12 | 417.50 | - |
| (iv) Yes Bank -Unpaid Dividend FY 2012 -13 | 417.50 | - |

Notes forming parts of the financial statements for the year ended 31 March 2014

| | | |
|--|--------------------------|--------------------------|
| (c) Balances with Banks to the extent held as margin money | | |
| (i) In Deposit accounts | | |
| --With Less or Equal to 12 Months Maturity | 4,58,50,877.00 | 3,71,17,871.00 |
| --With more than 12 Months Maturity | - | - |
| (ii) Interest Accrued but not Due | 26,67,070.00 | 5,20,418.00 |
| TOTAL | 5,74,86,955.66 | 3,98,30,455.21 |
| | | |
| 16) Short Term Loans and Advances | | |
| Unsecured and Considered Good | | |
| (a) Loan & Imprest to employee | 2,79,630.00 | 6,44,367.00 |
| (b) TUFS Interest Subsidy receivable | 1,38,31,714.00 | 98,41,281.00 |
| (c) Security deposit | 1,36,69,528.00 | 77,96,549.00 |
| (d) Advance to supplier/Others | 5,79,70,189.80 | 2,52,21,473.64 |
| (e) Insurance claim Receivable | - | 65,259.35 |
| (f) Prepaid expenses | 25,70,161.00 | 21,44,683.00 |
| (g) Duty drawback/DEPB Receivable | 19,28,890.00 | 17,84,802.00 |
| Balance with Customs/Central Excise and Income Tax Authorities | | |
| (a) Balance in CENVAT /Service tax account/Sale Tax / WCT | 38,97,628.32 | 1,51,35,974.98 |
| (b) Tds/Provision of tds/Refund AY 2011-12 | 2,22,810.00 | 2,22,810.00 |
| (c) Tds/Provision of tds /RefundAY 2012-13 | 82,660.00 | 82,660.00 |
| (d) Tds/Provision of tds /RefundAY 2013-14 | - | 63,39,131.00 |
| (e) Advance Tax Deposit AY 2013-14 | - | 75,00,000.00 |
| (f) Tds/Provision of tds AY 2014-15 | 99,10,353.23 | - |
| (g) MAT Receivable A.Y. 2008 - 09 | 30,90,333.00 | - |
| (h) MAT Receivable A.Y. 2011 - 12 | 66,25,228.00 | - |
| (i) MAT Receivable A.Y. 2012 -13 | 78,22,281.00 | - |
| (j) MAT Receivable A.Y. 2013 -14 | 10,98,181.00 | - |
| TOTAL | 12,29,99,587.35 | 7,67,78,990.97 |
| | | |
| 17) Revenue from Operations | | |
| (a) Sale of products | | |
| (i) Domestic sale | 2,37,13,85,068.56 | 2,35,78,75,520.04 |
| (ii) Export sale | 5,17,34,041.93 | 1,67,78,824.74 |
| (b) Sale of services | 34,18,88,193.02 | 28,91,15,008.71 |
| (c) Other operating revenues | - | 3,22,47,945.77 |
| TOTAL | 2,76,50,07,303.51 | 2,69,60,17,299.26 |
| Less: Excise Duty | - | - |
| TOTAL | 2,76,50,07,303.51 | 2,69,60,17,299.26 |
| | | |
| 18) Other Income | | |
| (a) Interest Income | | |
| (i) Interest Received on FDR | 45,05,504.00 | 23,95,414.00 |
| (ii) Interest received others | 13,29,408.48 | 30,98,396.00 |
| (b) Other non Operating Income | - | |
| (i) Duty Drawback Received | 22,02,012.00 | 8,50,318.00 |
| (ii) Unclaimed balances W/off & short & Excess | 1,46,329.12 | 491.43 |

Notes forming parts of the financial statements for the year ended 31 March 2014

| | | | |
|-----|--|--------------------------|--------------------------|
| | (iii) Rent Received | 36,000.00 | 36,387.00 |
| | (iv) Advance Forfeited | 21,22,223.00 | 1,02,83,710.00 |
| | (v) Undisclosed income | - | 21,522.00 |
| | (vi) Miscellaneous Receipts | 73,869.00 | 10,63,341.00 |
| | TOTAL | 1,04,15,345.60 | 1,77,49,579.43 |
| 19) | (1) in case of manufacturing companies | | |
| | (i) Raw material consumed under broad head | | |
| | TEXTILE UNIT | | |
| | (a) Dyes and Chemicals | 12,33,02,462.43 | 12,35,79,192.06 |
| | (b) Fabrics | 49,73,25,712.34 | 82,44,28,624.63 |
| | (c) Yarn | 10,10,37,117.91 | 14,02,64,820.75 |
| | (d) Fuel | 3,81,23,253.01 | 3,33,32,361.80 |
| | (e) Packing Material | 1,21,30,096.54 | 1,02,47,567.83 |
| | (f) Loding & Unloading | 68,044.00 | 1,12,750.00 |
| | PEB UNIT | | |
| | (a) HR Plates | 57,28,27,075.77 | 23,01,64,716.93 |
| | (b) Structures | 8,58,60,527.79 | 7,41,57,601.30 |
| | (c) Coils | 44,17,04,159.41 | 31,20,28,175.33 |
| | (d) Accessories | 9,26,24,771.16 | 6,44,50,355.64 |
| | TOTAL | 1,96,50,03,220.36 | 1,81,27,66,166.27 |
| 20) | INCREASE/DECREASE IN WIP/ FINISHED GOODS/CONSUMABLE | | |
| | Closing Stock | | |
| | Consumable Store | 60,62,941.14 | 1,19,09,505.13 |
| | Finished Goods | 25,53,18,095.18 | 18,81,91,358.09 |
| | Work in process | 15,53,46,257.26 | 14,22,83,833.92 |
| | TOTAL | 41,67,27,293.58 | 34,23,84,697.14 |
| | Opening Stock | | |
| | Consumable Store | 1,19,09,505.13 | 1,13,01,968.20 |
| | Finished Goods | 18,81,91,358.09 | 8,02,91,080.09 |
| | Work in process | 14,22,83,833.92 | 24,77,53,068.71 |
| | TOTAL | 34,23,84,697.14 | 33,93,46,117.00 |
| | | -7,43,42,596.44 | -30,38,580.14 |
| 21) | Employee benefits expenses | | |
| | (a) Salaries and Wages | 15,40,44,645.00 | 13,21,83,491.00 |
| | (b) Contribution to Provident and other funds | 54,56,195.80 | 54,64,654.00 |
| | (c) Staff welfare expenses | 39,39,382.40 | 28,09,641.00 |
| | (d) Employee Retirement & Other Benefits | | |
| | (i) Gratuity & Leave Encashment- Paid | 13,96,566.60 | 22,53,878.00 |
| | (ii) Gratuity & Leave Encashment- Provision | 18,92,163.00 | 26,89,672.00 |
| | (e) Directors Remuneration | 36,00,000.00 | 36,00,000.00 |
| | TOTAL | 17,03,28,952.80 | 14,90,01,336.00 |

Notes forming parts of the financial statements for the year ended 31 March 2014

| | | |
|--|------------------------|------------------------|
| 22) Finance Cost | | |
| (a) Interest expenses | | |
| (i) to Banks on Working Capital Loans | 12,88,29,601.00 | 13,04,01,387.80 |
| (ii) to Banks on Term Loans | 6,02,25,545.20 | 7,90,63,312.00 |
| (iii) on other accounts | 1,17,43,467.85 | 1,15,91,974.32 |
| (b) Other borrowing costs | | |
| (i) Bank Charges | 2,62,82,670.01 | 1,24,88,572.69 |
| (c) Applicable Net Gain/Loss on Foreign Currency Transactions and Translations | -14,50,870.05 | -1,74,453.00 |
| TOTAL | 22,56,30,414.01 | 23,33,70,793.81 |
| 23) Depreciation and Amortisation Expense | 6,09,05,062.44 | 7,50,37,111.54 |
| 24) OTHER COST | 24,21,63,363.81 | 21,72,25,161.92 |
| (A) MANUFACTURING EXPENSES | | |
| (a) Outside Job work/ Erection Charges | 5,26,58,289.25 | 5,32,89,905.90 |
| (b) Power and fuel | 4,13,97,721.96 | 3,88,26,247.49 |
| (c) Water & Sewearage Charges | 81,501.00 | 1,12,314.00 |
| (d) Consumption of stores and spare parts | 1,89,68,619.05 | 2,33,30,048.68 |
| (e) Genset Hiring Charges | 89,252.00 | 62,907.00 |
| (f) Repairs to Machinery | 1,75,57,336.31 | 1,45,07,693.99 |
| (g) Freight on Purchase | 22,00,777.00 | - |
| TOTAL | 13,29,53,496.57 | 13,01,29,117.06 |
| (B) ADMINISTRATIVE EXPENSES | | |
| (a) Auditors remuneration & Out of pocket Expense | 3,89,816.00 | 3,17,244.00 |
| (b) Books & priodicals | 1,07,567.00 | 84,437.00 |
| (c) Charity & Donation | 2,73,497.00 | 1,41,122.00 |
| (d) Commission / Sitting fee to Non WTD | 19,926.00 | - |
| (e) Director Travelling & Conveyance | 11,87,484.00 | 4,11,926.00 |
| (f) Diwali Exp | 2,88,393.00 | 3,34,293.74 |
| (g) Miscellaneous Expenses | 2,82,062.00 | 3,37,815.33 |
| (h) Insurance Others | 29,63,318.00 | 29,04,001.00 |
| (i) Insurance on cars | 47,245.00 | 93,857.00 |
| (j) Legal & Professional Charges | 94,04,713.00 | 22,66,543.00 |
| (k) Out of pocket Expense -Consultant | 9,18,107.00 | - |
| (l) AGM & Meeting Expenses | 29,890.00 | 77,907.00 |
| (m) Postage Expenses | 6,20,373.00 | 4,73,955.00 |
| (n) Pre operative expenses w/off | - | 1,00,000.00 |
| (o) Printing & stationery Expenses | 20,74,602.00 | 16,48,684.00 |
| (p) Rates & Taxes, Excluding,taxes on income | 1,42,64,486.93 | 20,69,499.75 |
| (q) Rent | 56,50,466.00 | 67,86,459.00 |
| (r) Repairs to Buildings | 4,80,789.00 | 28,34,140.00 |
| (s) Repair - Computer | 17,33,520.00 | 10,83,523.00 |
| (t) Repair -Vehicle Commercial | 39,73,413.71 | 38,66,278.00 |
| (u) Repair - Vehicle others | 16,53,735.96 | 14,26,666.25 |
| (v) Watch /Ward/Security | 21,44,107.00 | 23,00,644.00 |

Notes forming parts of the financial statements for the year ended 31 March 2014

| | | |
|--|-----------------------|-----------------------|
| (w) Repair - Electricals | 19,81,038.00 | 9,82,259.00 |
| (x) Subscription Fee | 3,63,891.00 | 1,87,475.00 |
| (y) Telephone, Modem & Internet Expenses | 18,72,441.09 | 15,63,432.67 |
| (z) Testing Charges | 7,00,233.00 | 2,20,403.90 |
| (z) Travelling & Conveyance Expenses | 91,19,292.62 | 1,00,52,480.98 |
| (zi) Office Maintenance Expenses | 12,40,094.00 | 7,55,196.13 |
| TOTAL | 6,37,84,501.31 | 4,33,20,242.75 |
| (c) SELLING & DISTRIBUTION EXPENSES | | |
| (a) Sales Promotion Expenses | 23,88,785.71 | 15,43,165.70 |
| (b) Commission/ Discount on Sales | 6,39,227.00 | 13,28,500.00 |
| (b) Distribution Expenses/ Export sales clearing Expenses | 3,27,65,290.69 | 3,05,02,882.70 |
| (c) Advertisement / Tender fee & Exhibition Expenses | 11,91,767.00 | 75,99,945.00 |
| (d) Bad Debts written off | 84,40,295.53 | 28,01,308.71 |
| TOTAL | 4,54,25,365.93 | 4,37,75,802.11 |
| 25) Extraordinary Items | | |
| (a) Loss on sale of fixed assets | 9,44,59,953.45 | 1,36,02,840.10 |
| (b) Derivative Loss (ICICI Bank) | - | 6,75,00,000.00 |
| TOTAL | 9,44,59,953.45 | 8,11,02,840.10 |
| 26) EARNING PER SHARE & DILUTED EARNING PER SHARE | | |
| (i) Net PROFIT after tax as per P & L Account | 9,41,34,132.63 | 13,36,30,304.37 |
| (ii) Weighted Average number of equity Shares used as denominator for calculating EPS (Nos) | 2,23,15,000.00 | 1,69,25,554.00 |
| (iii) Net Profit attributable to shareholders | 9,41,34,132.63 | 13,36,30,304.37 |
| (iv) Diluted Earning Per Share(RS) (iii/ii) | 4.22 | 7.90 |
| (v) Profit before tax | 9,12,74,278.68 | 14,83,02,049.19 |
| (vi) Earning per share | 4.09 | 8.76 |
| (vii) Face Value per equity Share(RS) | 10.00 | 10.00 |
| Payment to the Auditor | | |
| (a) Auditor | 1,68,540.00 | 1,50,000.00 |
| (b) for taxation matters | 1,12,360.00 | 1,00,000.00 |
| (c) for Company Law Matters | - | - |
| (d) for Management Servises | - | - |
| (e) for Other Servises | 56,180.00 | 50,000.00 |
| (f) for Reimbursement of Expenses | 52,736.00 | 17,244.00 |
| Detail of items of exceptional and extraordinary nature | | |
| (a) Loss on sale of fixed assets | 9,44,59,953.45 | 1,36,02,840.10 |
| (b) Derivative Loss (ICICI Bank) | - | 6,75,00,000.00 |
| Prior period item | NIL | NIL |

NOTES:

27. As per Accounting Standard 15 'Employee benefits', the disclosures as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

| | 2013-14 | 2012-13 |
|---|---------------|--------------|
| Employer's Contribution to Provident Fund | 17, 63,567.56 | 18,17,429.00 |
| Employer's Contribution to Pension Fund | 21, 54,249.24 | 22,19,080.00 |

Defined Benefit Plan

The provision for gratuity is made as per the Payment of Gratuity Act, 1972 is a 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. The obligation for leave encashment is recognized in the same manner as gratuity.

i) Reconciliation of opening and closing balance of Defined Benefit obligation

| | Gratuity (Unfunded) | | Leave Encashment (Unfunded) | |
|--|------------------------|---------------|--------------------------------|----------------|
| | 2013 - 14 | 2012 - 13 | 2013 - 14 | 2012-13 |
| Define benefit obligation at beginning of year | 59,84,411.00 | 23,10,000.00 | 39,74,999.00 | 49,59,738.00 |
| Interest Cost | 4, 78,753.00 | - | 3, 18,000.00 | - |
| Current Service Cost | 23,84,675.00 | 46,19,000.00 | 17,51,971.00 | 3,23,612.00 |
| Actuarial Gain / (Loss) | (12, 91,604.00) | - | (3,71,364.00) | - |
| Benefit paid | (3, 48,461.00) | (9,44,589.00) | (10 30,607.00) | (13,08,000.00) |
| Defined Benefit obligation at year end | 72, 07,774.00 | 59,84,411.00 | 46,42,999.00 | 39, 74,999.00 |

ii) Reconciliation of fair value of assets and obligation

| | Gratuity (Unfunded) | | Leave Encashment (Unfunded) | |
|------------------------------------|------------------------|--------------|--------------------------------|--------------|
| | 2013 - 14 | 2012 - 13 | 2013 - 14 | 2012-13 |
| Fair value of Plan asset | - | - | - | - |
| Present value of obligation | 72,07,774.00 | 59,84,411.00 | 46,42,999.00 | 39,74,999.00 |
| Amount recognized in Balance Sheet | 72,07,774.00 | 59,84,411.00 | 46,42,999.00 | 39,74,999.00 |

iii) Expenses recognized during the year

| | Gratuity (Unfunded) | | Leave Encashment (Unfunded) | |
|--------------------------------|------------------------|--------------|--------------------------------|--------------|
| | 2013 – 14 | 2012 – 13 | 2013 - 14 | 2012-13 |
| Current Service Cost | 23,84,675.00 | 46,19,000.00 | 17,51,971.00 | 3,23,612.00 |
| Interest Cost | 4, 78,753.00 | - | 3, 18,000.00 | - |
| Expected return on plan assets | - | - | - | - |
| Actuarial Gain / (Loss) | (12, 91,604.00) | - | (3, 71,364.00) | - |
| Net Cost | 15, 71,824.00 | 46,19,000.00 | 16, 98,607.00 | 3, 23,612.00 |

iv) Actuarial assumptions

| | Gratuity (Unfunded) | | Leave Encashment (Unfunded) | |
|--|------------------------|-----------|--------------------------------|---------|
| | 2013 – 14 | 2012 – 13 | 2013 - 14 | 2012-13 |
| Discounting Rate | 8.50% | 8.00% | 8.50% | 8.00% |
| Future salary Increase | 6.00% | 5.50% | 6.00% | 5.50% |
| Expected rate of return on plan assets | 0.00% | 0.00% | 0.00% | 0.00% |

28) As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationship:

List of Related Parties and their Relationship

a) Key Managerial Personnel

| | | |
|---------------------------|----------------------------|--------------------------------|
| 1 Sh. Sushil Gupta CMD | 2. Sh. Manish Gupta WTD | 3. Dr. Sandeep Gupta JT. MD |
|---------------------------|----------------------------|--------------------------------|

b) Enterprise over which Key Managerial Personnel (KMP) or their Relatives have significant influence

1 Richa Building Systems (P) Limited 2. Richa Holdings Limited 3. Richa Infrastructure Limited

c) Relatives of Key Management Personnel – Geeta Devi

| Transactions with Related Parties | Amount in Rs. | | | |
|-----------------------------------|--------------------------|---------------------------------------|---|-----------------|
| Particulars | Key Management Personnel | Relatives of Key Management Personnel | Enterprises over which KMP & their relatives have significant influence | Total |
| Remuneration | 36,84,000.00 | 6,00,000.00 | - | 42,84,000.00 |
| Unsecured Loans Received | - | - | 6,61,00,000.00 | 6,61,00,000.00 |
| Unsecured Loans Re Paid | - | - | 7,80,74,752.00 | 7,80,74,752.00 |
| Sale/Job work | - | - | 8,73,08,471.94 | 8,73,08,471.94 |
| Outstanding | | | | |
| Receivables | - | - | 24,82,025.94 | 24,82,025.94 |
| Payable (Gross) | 2,56,370.00 | 48,890.00 | 28,36,49,248.00 | 28,39,54,508.00 |

29) As per the Accounting Standard (AS) – 17 “Segment Reporting” the information is submitted as below:

a) Primary Segment Reporting by Business Segment

Company's primary business segments are

(i) Manufacture in Textiles - The textile business incorporates the product group namely Dyeing & Processing of Knitted Fabrics and Processing / Knitting of Yarn and Manufacture of Knitted Fabric which mainly have similar risks and returns.

(ii) Manufacturer of Pre Engineering Buildings – The PEB business incorporates the product group namely: Pre Fabricated Steel Building in CKD Condition, Tabular Steel Poles, Structure and Super Structure for mining, Drop Rods, Angles, Shapes and Section, which mainly have similar risks and returns.

b) Secondary Segment Reporting (By Geographical Segments)

The following is the distribution of the Company's consolidated sales by geographical segment, regardless of where the goods were produced

| Particulars | 2013-14 | 2012-13 |
|-------------------------------|------------------|------------------|
| (i) Sales to Overseas Market | 5,17,34,041.93 | 1,67,78,824.74 |
| (ii) Sales to Domestic Market | 271,32,73,261.58 | 267,92,38,474.52 |

Segment Reporting Chart (Amount in Rs.)

| | 2013-14 | 2012-13 |
|---|-------------------------|-------------------------|
| 1. Segment Revenue | | |
| (a) Textile | 127,57,46,556.91 | 148,54,62,275.39 |
| (b) PEB | 148,92,60,746.60 | 121,05,55,023.87 |
| Total | 276,50,07,303.51 | 269,60,17,299.26 |
| Less: Inter Segment Revenue | -- | -- |
| Sales/Income From Operations | 276,50,07,303.51 | 269,60,17,299.26 |
| 2. Segment Results Profit/ Loss before tax and interest from Each segment | | |
| i Textile | 20,78,47,480.12 | 18,79,30,878.74 |
| ii PEB | 20,35,17,166.02 | 27,50,19,257.36 |
| Total | 41,13,64,646.14 | 46,29,50,136.10 |
| Less: Inter Segment Revenue | | |
| i. Financial Charges | 22,56,30,414.01 | 23,33,70,793.81 |
| ii. Other Un-allocable Expenditure net off Un-allocable income | -- | -- |
| iii. Exceptional Items | -- | -- |
| Total Profit Before Tax | 18,57,34,232.13 | 22,94,04,889.29 |
| Capital Employed | | |
| (Segment Assets Less Segment Liabilities) | | |
| i. Textiles | 91,29,49,295.05 | 113,18,48,753.82 |
| ii. Pre Engineered Buildings | 107,52,65,723.40 | 75,07,73,687.12 |
| Total Capital Employed | 198,82,15,018.45 | 188,26,22,440.94 |

| | | |
|---|---------|---------|
| | 2013-14 | 2012-13 |
| 30) Number of Employees in receipt of or Entitled to receive employment (including perks of Rs 500000/- pm/ Rs. 60 Lac p.a. or more during the year | NIL | NIL |

31) Contingent Liabilities and Commitments (AS -29)

| | | |
|------------------------------------|-----------------|----------------|
| (a) Bank Guarantees issued by Bank | 11,79,09,090.00 | 7,08,26,295.00 |
| (b) Outstanding Letter of Credit | 22,04,92,566.00 | 7,02,11,629.00 |

(c) The income tax assessment of the company has been Completed up to A.Y. 2011-12

(d) Disputed demand (Gross) in respect of:

| Nature of Dues | Assessment Year | Demand Raised | Forum where dispute is pending |
|----------------|-----------------|-----------------------------------|---|
| Income Tax | 2005-06 | Rs. 11,17,737/- u/s 143(3)/147 | The company has filed an appeal before ITAT, New Delhi which is pending till date. |
| Income Tax | 2010-11 | Rs. 17,14,901/- U/s 143(3) | The company has filed an appeal before CIT(Appeal), Faridabad which is pending till date. |
| Income Tax | 2011-12 | Rs. 5,98,854/- u/s 143(3) | The company has filed an appeal before CIT(Appeal), Faridabad which is pending till date |

The amount shown in (a) above represents bank guarantees given in the normal course of the company operations and are not expected to result in any loss to company on basis of beneficiary fulfilling its ordinary commercial obligations.

The amount shown in (c) & (d) above represent the best possible estimates arrived at on the basis of available information. Uncertainties and possible reimbursements are dependent on the outcome of different legal processes which have been invoked by the company or the claimants as the case may be and therefore cannot be estimated accurately. The company engages reputed professional advisor to protect its interests and has been advised that it has strong legal positions against such disputes.

32) The company has reviewed the possibility of impairment of the fixed assets of company in term of the accounting standard AS -28 "Impairment of assets" as at balance sheet date and is of the opinion that no such provision for impairment is required.

33) Balances of Trade Receivable, Trade Payable & Advances are subject to confirmation and consequential adjustment, if any.

34) Additional information pursuant to paragraph 4D of the part II schedule VI to the Company Act, 1956

| | | |
|--|----------------|-----------------|
| a) Value of Imports on CIF Basis in respect of | | (Amount in Rs.) |
| | 2013-14 | 2012-13 |
| Raw Material & Accessories | 36,06,790.00 | 47,25,192.04 |
| Spare parts & Components | 6,73,658.00 | 19,94,719.17 |
| Capital Goods | 9,59,811.00 | 2,31,327.00 |

(b) Value of imported & indigenous material and Percentage thereof

| | Raw Material | | Stores | |
|---------------|--------------|-------------------|------------|----------------|
| | Percentage | Value | Percentage | Value |
| Current Year | | | | |
| i. Indigenous | 99.85% | 2,31,02,90,622.11 | 96.45% | 1,82,94,961.05 |
| ii. Imported | 0.15% | 36,06,790.00 | 3.55% | 6,73,658.00 |
| Previous Year | | | | |
| i. Indigenous | 99.77% | 2,02,43,06,163.73 | 91.45% | 2,13,35,329.51 |
| ii. Imported | 0.23% | 47,25,192.04 | 8.55% | 19,94,719.17 |

c) Expenditure in Foreign Currency

| | 2013-14 | 2012-13 |
|---------------------------------|--------------|-------------|
| On Royalty | NIL | NIL |
| Know how | NIL | NIL |
| Professional & consultation fee | | |
| Software AMC | 36,060.00 | NIL |
| Interest | NIL | NIL |
| Foreign Traveling | 10,77,613.00 | 3,90,132.00 |

d) Earnings in Foreign Exchange

| | 2013-14 | 2012-13 |
|--|----------------|----------------|
| (i) Exports of goods on FOB basis | 5,17,34,041.93 | 1,67,78,824.74 |
| (ii) Royalties, know how, professional & Consultation fees | NIL | NIL |
| (iii) Interest and dividends | NIL | NIL |
| (iv) Other income, indicate the nature thereof | NIL | NIL |

35) Remittance in Foreign Currency on Account of Dividend

The Board of Directors of company has not recommended any dividend for the financial year 2013-14 due to economic recession and requirement of more working capital as company is entering into Government projects, final dividend of 5% (Rs. 0.50 per share) for the year ended 31.03.2013 was paid. No foreign remittance has been made on account of dividend

36) Operating Leases as per AS - 19

The company has taken various premises under cancelable operating lease. These lease Agreements are normally renewed on expiry of the terms. Lease rental expenses for 2013-14 in respect of above operating leases are Rs. 56,50,466.00 (previous year Rs.67,86,459.00)

37) Insurance Claims

During the year, the company accounted Rs. 10,37,283.00 (Previous year Rs. 27,60,345.00) as claims receivable from insurance company towards the expenditure incurred (in excess of deductibles) on damage repairs up to 31st March 2014 to a company's assets

38) The previous year's figures have been reworked, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year

For **Tayal & Co.**
Chartered Accountants
Firm Reg.No.001845N

(CA R.A Gupta)
Partner
M.No 080997
Place- Faridabad
Date-30.05.2014

CA Pran Nath Singh
DGM - Accounts & Finance

Gaurav Yadav
Company Secretary
M.No. 28484

**for and on the Behalf of the Board of
Directors of Richa Industries Limited**

Dr.Sandeep Gupta
Jt Managing
Director
DIN : 00035751

Sushil Gupta
Chairman cum
Managing Director
DIN : 00035854

WHERE EVERY STRUCTURE IS A WORK OF ART.



RICHIA INDUSTRIES LIMITED

Certified ISO 9001:2008

Website : www.richa.in
e-mail: richa@richa.in

Richa PEB. Innovative concepts, awe inspiring designs of pre engineered buildings

Richa Industries ventured into PEB business in 2009 and carved a niche for itself in PEB Industry. Backed by world class technology and run by the leaders in the business, Richa products are renowned for their design, strength and timely delivery.

- Pre-engineered steel buildings
- Heavy structure fabrications
- Specialized structures



STEEL₂BUILD
PRE-ENGINEERED BUILDING SOLUTIONS

Corporate cum Regd. Office: Plot No-29; DLF Industrial Area; PH-II, Faridabad,
Haryana, India-121 003 Ph. : +91-129-4009262 & +91-129-4133968



RICHA INDUSTRIES LIMITED

Certified ISO 9001:2008

REGISTERED OFFICE: Plot No-29; DLF Industrial Area; Phase-II, Faridabad, Haryana, India-121 003
Ph.:+91-129-4009262 & +91-129-4133968 Website : www.richa.in E-mail: richa@richa.in

KASHIPUR UNIT

8th km Stone, NH-121, Ram Nagar Road, Kashipur,
Distt. Udam Singh Nagar. Uttrakhand-244 713
Phone: +91-5947-223333

FARIDABAD UNIT

Village Kawnra, Old Faridabad, Kheri -Jasana Road,
Faridabad- 121 101
Tel. : +91-129-2201132, Fax : +91-129-2201137



RICHA INDUSTRIES LIMITED

Regd. office: Plot No.29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana
Website: www.richa.in, E-mail: richa@richa.in CIN: L17115HR1993PLC032108.

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting (AGM) of the members of Richa Industries Limited will be held on Saturday, 13th September, 2014 at 10.30 am at Hotel Delight, 17-18 Neelam Bata Road, N.I.T. Faridabad -121001, (Haryana), to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements i.e. Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended 31st March, 2014 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sandeep Gupta (DIN: 0035751) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To re-appoint M/s Tayal and Co., (Firm Registration No:001845N) Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the third consecutive Annual General Meeting of the Company in the calendar year 2017 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provision of Section 149,150,152 and any other applicable provision of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Sonia Nankani (DIN: 06948950) who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and who holds office up to the Date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying their intention to propose Ms. Sonia Nankani as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the Calendar year 2019.
5. To consider and if thought fit, to pass the following with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provision of Section 149,150,152 and any other applicable provision of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nitin Agarwal, (DIN: 03447905) Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Nitin Agarwal as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold

office for five consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the Calendar year 2019.

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

"RESOLVED THAT pursuant to provision of Section 149,150,152 and any other applicable provision of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jai Prakash Malhotra, (DIN: 00597704), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Jai Prakash Malhotra as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the Calendar year 2019.

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

RESOLVED THAT pursuant to the provision under section 196,197,198 Schedule V as applicable and other applicable provisions, if any , of the Companies Act, 2013 (hereinafter referred to as "the Act" including any statutory amendments, modifications or re-enactment thereof for the time being in force),read with Schedule V to the Companies Act,2013 (Corresponding to Sections 198, 269, 309 and any other applicable provision of the Companies Act, 1956 read with schedule XIII to the Companies Act, 1956), the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Sandeep Gupta,(DIN: 00035751) Joint Managing Director and CFO of the Company for a period of five years of his tenure w.e.f. 1st October, 2014 to 30th September, 2019 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the chairmen for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (Corresponding to the Schedule XIII to the Companies Act, 1956), as may be agreed by the Board of Directors and Mr. Sandeep Gupta.

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

RESOLVED THAT pursuant to the provision under section 196,197,198 Schedule V as applicable and other applicable provisions, if any , of the Companies Act, 2013 (hereinafter referred to as "the Act" including any statutory amendments, modifications or re-enactment thereof for the time being in force),read with Schedule V to the Companies Act,2013 (Corresponding to Sections 198, 269, 309 and any other applicable provision of the Companies Act, 1956 read with schedule XIII to the Companies Act, 1956), the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Sushil Gupta, (DIN: 00035854), Chairman & Managing Director of the Company for a period of five years of his tenure w.e.f. 1st October, 2014 to 30th September, 2019 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the chairmen for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed by the Board of Directors.

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

RESOLVED THAT pursuant to the provision under section 196,197,198 Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (Corresponding to Sections 198, 269, 309 and any other applicable provision of the Companies Act, 1956 read with schedule XIII to the Companies Act, 1956), the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Manish Gupta, (DIN: 00035828), Whole Time Director of the Company for a period of five years of his tenure w.e.f. 1st October, 2014 to 30th September, 2019 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the chairmen for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee be and are severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed by the Board of Directors.

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

RESOLVED THAT in supersession of earlier resolution passed through Postal Ballot of the Company held on 19th July, 2008 and pursuant to the provision of section 180 (1) (c) and any other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company, to borrow any sum of money (including non-fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more banks, financial institution, and/or from any person or persons, firms, bodies corporate, whether by way of Loans, advances, deposit, bills discounting, or otherwise and whether secured or unsecured notwithstanding that the money to be borrowed together with the money already Borrowed by the Company, (apart from temporary loans obtained from the Company Bankers in the Ordinary Course of business) may exceed the aggregate of paid up share capital of the Company & its free reserves, provided that the total amount of money borrowed at any time shall not exceed Rs 1000 Crore (Rupees One Thousand Crore) and that the Board of Directors be and is hereby empowered and authorize to arrange or fix the terms and conditions of all such terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorize to finalize, settle and execute such documents/ deeds/ agreements as may be required and to do all such acts, deeds and things as it may be in its absolute discretion deem necessary, proper or desirable to give effect to this resolution.

11. To consider and if thought fit, to pass the following with or without modification(s), the following resolution as a Special Resolution

RESOLVED THAT in supersession of earlier resolution passed through Postal Ballot of the Company held on 19th July, 2008 and pursuant to the provision of section 180 (1) (a)and any other applicable provision of the Companies Act, 2013, to the Board of Directors to mortgage and /or charges, in addition to the mortgage/charges created/ to be created by the company, in such form and manner and with such ranking and at such time and on such terms as the board may determine , on all or any of the Movable and/or immovable properties of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company in favor of the lender(s)/ agent(s)/ trustee(s), with a power to the charge holders to take over the management of business and concern of the company in certain events of defaults, for securing the borrowings availed/ to be availed by the Company and / or any of the Company affiliate/ associate company. By way of loans(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/ partly convertible Debentures and/ or Non-Convertible Debentures with or without detachable warrants and / or secured premium notes or other debt instruments(s) issued / to be issued by the company, from time to time, subject to the limits approved under Section 180(1) (a) of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorize to finalize, settle and execute such documents/ deeds/ agreements as may be required and to do all such acts, deeds and things as it may be in its absolute discretion deem necessary, proper or desirable to give effect to this resolution

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

RESOLVED THAT pursuant to provision of Section 148 and all other applicable provision of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor, Sh. Krishan Singh Berk, Cost Accountant appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the financial year ending March 31,2015 on a remuneration of Rs 75,000 plus service tax and out of pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

13. To consider and if thought fit, to pass the following with or without modification(s), the following resolution as a Special Resolution

RESOLVED THAT pursuant to provision of Section14 and all other applicable provision of the Companies Act, 2013read with Companies (Incorporation) Rules,2014(including any statutory modification or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board of Directors

Place: Faridabad

Date: 14.08.2014

Registered Office:

Plot No.29, DLF Industrial Area,

Phase-II, Faridabad-121003, Haryana

Gaurav Yadav

CompanySecretary

&Compliance Officer

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy(ies) need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. The instrument appointing proxy(ies) must, however, be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before commencement of the Meeting. Proxy(ies) submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. No Gifts or Coupons shall be Distributed at the Meeting
3. Members/Proxies are requested to submit the enclosed Attendance Slip duly filled in and signed at the entrance of the venue for attending the Meeting. Members who hold shares in dematerialized form are requested to mention their Client ID and DP ID details and those who hold shares in physical form are requested to write Folio number in the attendance slip. **No Attendance slip shall be issued at the Meeting.**
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 8th September, 2014 to 12th September, 2014 (both days inclusive).
5. The shares of the Company are compulsorily traded in demat mode. Hence, the Members who are still holding physical Share Certificates are advised that it is in their own interest to dematerialize their shareholding to avail benefit of dematerialization viz. easy liquidity, electronic transfer, savings in stamp duty and prevention of forgery.
6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificate(s) to Link Intime India Private Limited, Registrar & Transfer Agent or to the Company for consolidation into a single folio.
7. Members are requested to register their e-mail address(es) and changes in their particulars like change in address from time to time with Link Intime India Private Limited, Registrar & Transfer Agent for shares held in physical form and with the respective Depository Participants for the shares held in dematerialized form.
8. Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number of all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish a copy of PAN card to the Company/Share Transfer Agent for registration of such transfer of shares.
9. For security reasons, no article/baggage will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.
10. In terms of the provisions of Section 136 of the Companies Act, 2013 read with Rule 11 of the Companies (Accounts) Rules, 2014, service of notices/documents to the shareholders can be made through electronic mode, provided the Company has obtained the e-mail address(es) of the shareholder(s). Also, the shareholders who have not registered their e-mail address for receiving the Balance Sheet etc., they will be sent the physical copies through any recognised mode of delivery as specified under section 20 of the Companies Act, 2013.
Further, Clause 32 of the Listing Agreement entered into by the Company with the Stock Exchanges provides that the Company shall supply:
 - i. Soft copies of full annual reports containing its Balance Sheet, Statement of Profit & Loss and Directors' Report to all those shareholder(s) who have registered their e-mail address(es) for the purpose.
 - ii. Hard copies of full annual reports to those shareholders, who request for the same.

11. As a result, Members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address along with the details of name, address, Folio No., shares held:

- i. To the Company, Registrar and Share Transfer Agent, Link Intime India Private Limited for shares held in physical form and;**
- ii. In respect of shares held in demat mode, also provide DP ID/ Client ID with the above details and register the same with their respective Depository Participants.**

Upon registration of the e-mail address(es), the Company proposes to send Notices, Annual Report and such other documents to those Members via electronic mode/e-mail.

12. In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the Company had sent the Annual Report for the year 2012-13 by e-mail to those shareholders whose e-mail address(es) were made available to the depositories or to the Registrar and Transfer Agent. Physical copies were sent to only those shareholders whose e-mail address(es) were not available and for the bounced e-mail cases.

Further, the electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

As a responsible citizen, your Company strongly urges you to support the Green Initiative by giving positive consent by registering/updating your e-mail addresses with the Depository Participants or to the Registrar and Transfer Agent for receiving soft copies of various communications including the Annual Reports.

13. Voting Through Electronic Means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the 20th Annual General Meeting by electronic means and the business may be transacted through e-Voting services as provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab
- (iii) Now, Select, the "Richa Industries Limited" from the drop down menu and click on SUBMIT
- (iv) 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. Member Holding Shares in physical form should enter folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and click on Login
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on and earlier voting of any company then your existing password is to be used.
- (vii) If you are first time user follow the steps given below:

| | |
|-----|--|
| | For members holding shares in Demat form and Physical form |
| PAN | Enter your 10 digit alpha- numeric PAN issued by Income tax department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in the CAPITAL Letters. E.g. If your name is Rajesh Singh with sequence number 1**then enterRA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format |

(viii)After entering these details appropriately, click on the “SUBMIT” tab.

(ix)Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution 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.

(x) For members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.

(xi) Click on the EVSN for the relevant RICHA INDUSTRIES LIMITED on which you choose to vote

(xii)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.

(xiii)Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolution details.

(xiv)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.

(xv)Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi)You can also take out print of the Voting done by you by clicking on “Click here to print” option on the voting page

(xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on forget password &enter the details as prompted by the systems.

- Institutional Shareholder (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration form bearing the stamp and sign of the entity to helpdesk.evoting@cdsl.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of attorney which they have issued in favor of the custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xviii) M/s Vijay Singla & Associates, Chartered Accountants has been appointed as Scrutinizer respectively having their Branch office at 1221, Sector-21 D, Faridabad- 121002, Haryana to scrutinize the e-voting process in a fair and transparent manner.

(IX).The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

XX. The Results shall be declared within forty eight hours from the conclusion of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.richa.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited (BSE)

14. The documents referred to in the accompanying Notice and the Annual Report are open for inspection at the Registered Office of the Company during the office hours between 11.00 A.M. and 1.00 P.M. on all working days except Sundays up to the date of the Meeting and shall also be available at the venue.

By Order of the Board of Directors

Place: Faridabad

Date: 14.08.2014

Registered Office:
Plot No: 29, DLF Industrial Area,
Phase-II, Faridabad-121003, Haryana

(Gaurav Yadav)
Company Secretary
& Compliance Officer

ANNEXURE TO NOTICE

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM No.4

The Board of Directors of the Company appointed, pursuant to the provision of Section 161(1) of the Act Ms. Sonia Nankani as an Additional Director of the company with effect from 14th August, 2014. In terms of the provision of Section 161(1) of the Act, Ms. Sonia Nandkani would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit requisite amount under section 160 of the Act proposing the candidature of Ms. Sonia Nankani for the office of the Director of the Company. Ms. Sonia Nankani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Ms. Sonia Nankani that she meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under clause 49 of the Listing Agreement. Ms. Sonia Nankani is a member of the Institute of Chartered Accountants of India and a Gold Medalist and University topper and also qualified DISA (ICAI). She also holds diploma in Business Finance and Certification in NCFM possesses appropriate skills, experience and knowledge, interalia, in the field of finance. She was the eminent speaker in National Woman CA Conference.

The Details of Directorship, Membership/Chairmanship of Committees of Other Companies held by Ms. Sonia Nankani are as under:

| Sr. No | Name of Company in which holding Directorship | Name of the Committee | Committee Membership |
|--------|---|-----------------------|----------------------|
| 1 | - | - | - |

In the Opinion of the Board, Ms. Sonia Nankani fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Accordingly the Board recommends the resolution in relation to appointment of Ms. Sonia Nankani as an Independent Director, for the approvals by shareholders of the Company.

Except Ms. Sonia Nankani, being an appointee, none of the Directors of the Company and their relatives is concerned or interested, financial or Otherwise, in the resolution set out at Item No.4 of the Notice

ITEM No.5

Sh. Nitin Agarwal aged about 36 years is a Non-Executive, Independent Director. He joined the Board of Directors of the Company 10/02/2011.He is the Member of the Nomination and remuneration committee and Investor Grievance Committee of the Board of Directors of the Company .He has an experience of over 10 years in the field of law. He is an Advocate practicing in Supreme Court of India. He mainly deals in matters relating to Company Law, etc.

The Details of Directorship, Membership/Chairmanship of Committees of Other Companies held by Mr. Nitin Agarwal are as under

| Sr. No | Name of Company in which holding Directorship | Name of the Committee | Committee Membership |
|--------|---|-----------------------|----------------------|
| 1 | - | - | - |

Sh. Nitin Agarwal retires by rotation at the ensuing Annual General Meeting under the erstwhile application provision of the Companies Act, 1956. In terms of Section 149and any other applicable provision of the Companies Act, 2013. Sh. Nitin Agarwal being eligible and offerings himself for appointment , is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the Calendar Year2019. A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Sh. Nitin Agarwal as a candidate for the office of Director of the Company.

In the Opinion of the Board, Sh. Nitin Agarwal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Accordingly the Board recommends the resolution in relation to appointment of Sh. Nitin Agarwal as an Independent Director, for the approvals by shareholders of the Company.

Except Sh. Nitin Agarwal, being an appointee, none of the Directors of the Company and their relatives is concerned or interested, financial or Otherwise, in the resolution set out at Item No.5 of the Notice.

ITEM NO. 6

Sh. Jai Parkash Malhotra aged 64 years is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company 16/06/2008.He is the Member of the Nomination and remuneration committee, Investor Grievance Committee and Audit Committee of the Board of Directors of the Company since 16.06.2008. He has an experience of over 43 years in manufacturing industry. He has done - B.E. (Mechanical) from Delhi University. He is an expert in Manufacturing of valves and related activities. He was awarded as outstanding entrepreneur small scale industry for the State of Haryana by President of India and also awarded as eminent Engineer by Institution of Engineers in 2006. He was the president of Faridabad Chamber of Commerce & Industries.

The Details of Directorship, Membership/Chairmanship of Committees of Other Companies held by Mr. Jai Parkash Malhotra are as under:

| Sr.No | Name of Company in which holding Directorship | Name of the Committee | Committee Membership |
|-------|---|-----------------------|----------------------|
| 1 | Bhartiya Valves (P) Limited | - | - |

Sh. Jai Prakash Malhotra retires by rotation at the ensuing Annual General Meeting under the erstwhile application provision of the Companies Act, 1956. In terms of Section 149 and any other applicable provision of the Companies Act, 2013, Sh. Jai Prakash Malhotra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 25th Annual General Meeting of the Company in the Calendar Year 2019. A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Sh. Jai Prakash Malhotra as a candidate for the office of Director of the Company.

In the Opinion of the Board, Sh. Jai Prakash Malhotra fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Accordingly the Board recommends the resolution in relation to appointment of Sh. Jai Prakash Malhotra as an Independent Director, for the approvals by shareholders of the Company.

Except Sh. Jai Prakash Malhotra, being an appointee, none of the Directors of the Company and their relatives is concerned or interested, financial or Otherwise, in the resolution set out at Item No.4 of the Notice.

ITEM NO. 7

Resolution under Item No. 7 of the Notice relates to the reappointment and increase in remuneration of Mr. Sandeep Gupta as Joint Managing Director and CFO of the Company for a Further period five years from 1st October, 2014 to 30th September, 2019 and approval of his remuneration and terms of reappointment.

The Nomination and remuneration committee, at its meeting held on 14th August, 2014 had recommend the reappointment of Mr. Sandeep Gupta as Joint Managing Director and Chief Financial officer of the Company and terms of remuneration payable to him for as further period five years. The Board of Directors, at its meeting held on 14th August, 2014, had approved the same. The Nomination and remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be interest of the Company.

The material terms of remuneration of Mr. Sandeep Gupta effective from 1st October, 2014 as approved by Both Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 14th August, 2014 are as under:

(a) Basic Salary:

Rs 1, 50,000 (Rupees One Lac fifty Thousand Only) per month with such increase as may be decided by the Board of Directors (which includes any committee thereof) from time to time per month

(b) Perquisite and Allowances:

In addition to salary, the following perquisites /allowances shall be allowed to the Joint Managing Director and Chief Financial officer.

(i) Company shall provide rent free residential accommodation to him, the fair rental value of which shall not exceed 40% of annual salary.

(ii) Reimbursement of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in a year or three month's salary in a block of three years.

(iii) Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.

(iv) Club Fees: Subject to the maximum of two clubs, this will not include admission and life membership.

(v) Personal accident insurance premium not exceeding one months' salary.

Category B:

- (i) Contribution to the Provident Fund, Family Benefit Fund, Superannuation Fund as per the Rules of the Company.
- (ii) Gratuity, as per the Rules of the Company, subject to the maximum ceiling as may be prescribed under the Payment of Gratuity Act, 1972 from time to time.
- (iii) Earned Privilege Leave: As per the Rules of the Company, subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 day's salary for every year of completed services at the end of the tenure.

Category C:

- (i) Car: The Company shall provide a car with chauffeur for the Company's business and if no car is provided, reimbursement of the conveyance shall be as per actual on the basis of claims made by him.
- (ii) Telephone: Free use of telephone, landline as well as Mobile phone, will be provided at the residence of Mr. Sandeep Gupta, Joint Managing Director and CFO, for official purposes only.

I. General Information

1. Nature of Industry: Construction and Engineering Industry
2. Date or Expected Date of Commencement of Commercial Production: The Company was incorporated on 15th September, 1993 and commenced commercial production immediately thereafter
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 (As per audited Financial Statement for the year ended 31st March, 2014).

| Particulars | Amount In Rs. |
|----------------------|-------------------|
| Sales & Other Income | 2,77,54,22,649.11 |
| EBIDTA | 4,72,26,97,08.13 |
| Net Profit | 9,41,34,132.63 |

5. Foreign investment or collaborators, if any: Not Applicable

II. Information about the appointee:

1. Background Details: Mr. Sandeep Gupta is Doctorate in Management and has been employment with the Company since 17th January, 2000.
2. Past Remuneration:

| Particulars | F.Y. 13-14 | F.Y. 12-13 |
|-------------|------------|------------|
| Salary | 1,00,000 | 1,00,000 |
| Perquisites | -- | -- |
| Total | 1,00,000 | 1,00,000 |

3. Recognition or Awards: N.A
4. Job Profile and his suitability: Mr. Sandeep Gupta has been appointed as the Joint Managing Director and Chief

Financial officer of the Company and he will carry out such duties as may be entrusted to him by the Chairman and Managing Director but subject to supervision and control of Board of Directors, from time to time. Taking into consideration his qualification and expertise in the relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.

5. Remuneration proposed: Since the same have been already explained in detail hereinabove, the same are not repeated.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):
Considering the size of the Company, the profile of Mr. Sandeep Gupta, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:
Besides the remuneration proposed, Mr. Sandeep Gupta does not have any pecuniary relationship with the Company.

III. Other Information:

1. Reason for Loss or Inadequate Profits: N.A.
2. Steps taken or proposed to be taken for improvement: N.A.
3. Expected Increase in productivity and profits in measurable terms: N.A.

In view of the Provision of Sections 196,197,203 and any other applicable provision of the Companies Act, 2013 the Board recommends the Special Resolution set out at Item No.7 of the Accompanying Notice for the approval of members.

Since the Resolution at Item No 7 relates to the payment of remuneration and reappointment of Mr. Sandeep Gupta, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No7. This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with stock exchange.

ITEM No.8

Resolution under Item No 8 of the Notice relates to the reappointment of Mr. Sushil Gupta as Chairman & Managing Director of the Company for a Further period five years from 1st October, 2014 to 30th September, 2019 and approval of his remuneration and terms of reappointment.

The Nomination and remuneration committee, at its meeting held on 14th August, 2014 had recommend the reappointment of Mr. Sushil Gupta as Chairman & Managing Director of the Company and terms of remuneration payable to him for as further period five years. The Board of Directors, at its meeting held on 14th August, 2014, had approved the same. The Nomination and remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be interest of the Company.

The material terms of remuneration of Mr. Sushil Gupta effective from 1st October, 2014 as approved by Both Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 14th August, 2014 are as under:

Remuneration:

(a) Basic Salary:

Rs 1, 50,000 (Rupees One Lac fifty Thousand Only) per month with such increase as may be decided by the Board of Directors (which includes any committee thereof) from time to time per month

(b) Perquisite and Allowances:

In addition to salary, the following perquisites /allowances shall be allowed to the Chairman & Managing Director.

- (i) Company shall provide rent free residential accommodation to him, the fair rental value of which shall not exceed 40% of annual salary.
- (ii) Re-imbursement of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in a year or three month's salary in a block of three years.
- (iii) Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
- (iv) Club Fees: Subject to the maximum of two clubs, this will not include admission and life membership.
- (v) Personal accident insurance premium not exceeding one months' salary.

Category B:

- (i) Contribution to the Provident Fund, Family Benefit Fund, Superannuation Fund as per the Rules of the Company.
- (ii) Gratuity, as per the Rules of the Company, subject to the maximum ceiling as may be prescribed under the Payment of Gratuity Act, 1972 from time to time.
- (iii) Earned Privilege Leave: As per the Rules of the Company, subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 day's salary for every year of completed services at the end of the tenure.

Category C:

- (i) Car: The Company shall provide a car with chauffer for the Company's business and if no car is provided, reimbursement of the conveyance shall be as per actual on the basis of claims made by him.
- (ii) Telephone: Free use of telephone, landline as well as Mobile phone, will be provided at the residence of Mr. Sushil Gupta, Chairman & Managing Director, for official purposes only.

I. General Information

1. Nature of Industry: Construction and Engineering Industry
2. Date or Expected Date of Commencement of Commercial Production: The Company was incorporated on 15th September, 1993 and commence commercial production immediately thereafter
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(As per audited Financial Statement for the year ended 31st March,2014

| Particulars | Amount In Rs. |
|----------------------|-------------------|
| Sales & Other Income | 2,77,54,22,649.11 |
| EBIDTA | 4,72,26,97,08.13 |
| Net Profit | 9,41,34,132.63 |

5. Foreign investment or collaborators, if any: Not Applicable

II. Information about the appointee:

1. Background Details: Mr. Sushil Gupta has done M. Tech from IIT-Delhi has been employment with the Company since 15th September, 1993.
2. Past Remuneration:

| Particulars | F.Y. 13-14 | F.Y. 12-13 |
|-------------|------------|------------|
| Salary | 1,00,000 | 1,00,000 |
| Perquisites | 84,000 | 84,000 |
| Total | 1,84,000 | 1,84,000 |

3. Recognition or Awards: He is an Awardee of Udyog Patra and Udyog Vibhushan
4. Job Profile and his suitability: Mr. Sushil Gupta has been appointed as the Chairman Cum Managing Director of the Company and he will carry out such duties as may be entrusted to him by the Board of Directors but subject to supervision and control of Board of Directors, from time to time. Taking into consideration his qualification and expertise in the relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.
5. Remuneration proposed: Since the same have been already explained in detail hereinabove, the same are not repeated.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be w.r.t. the country of his origin):
Considering the size of the Company, the profile of Mr. Sushil Gupta, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:
Besides the remuneration proposed, Mr. Sushil Gupta does not have any pecuniary relationship with the Company.

III. Other Information:

1. Reason for Loss or Inadequate Profits: N.A.
2. Steps taken or proposed to be taken for improvement: N.A.
3. Expected Increase in productivity and profits in measurable terms: N.A.

In view of the Provision of Sections 196,197,203 and any other applicable provision of the Companies Act, 2013 the Board recommends the Special Resolution set out at Item No.8 of the Accompanying Notice for the approval of members

Since the Resolution at Item No 8 relates to the payment of remuneration to Mr. Sushil Gupta, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No8. This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with stock exchange.

Item No. 9

Resolution under Item No. 9 of the Notice relates to the reappointment of Mr. Manish Gupta as Whole Time Director of the Company for a Further period five years from 1st October, 2014 to 30th September, 2019 and approval of his remuneration and terms of reappointment.

The Nomination and remuneration committee , at its meeting held on 14th August, 2014 had recommend the reappointment of Mr. Manish Gupta as Whole Time Director of the Company and terms of remuneration payable to him for as further period five years. The Board of Directors, at its meeting held on 14th August, 2014, had approved the same. The Nomination and remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be interest of the Company.

The material terms of remuneration of Mr. Manish Gupta effective from 1st October, 2014 as approved by Both Nomination and Remuneration Committee and Board of Directors in their respective meeting held on 14th August, 2014 are as under:
Remuneration:

(a) Basic Salary:

Rs 1, 50,000 (Rupees One Lac fifty Thousand Only) per month with such increase as may be decided by the Board of Directors (which includes any committee thereof) from time to time per month

(b) Perquisite and Allowances:

In addition to salary, the following perquisites /allowances shall be allowed to the Whole Time Director.

(i) Company shall provide rent free residential accommodation to him, the fair rental value of which shall not exceed 40% of annual salary.

(ii) Re-imbursment of medical expenses of the Executive Director and his family, the total cost of which to the Company shall not exceed one month's salary in a year or three month's salary in a block of three years.

(iii) Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.

(iv) Club Fees: Subject to the maximum of two clubs, this will not include admission and life membership.

(v) Personal accident insurance premium not exceeding one months' salary.

Category B:

(i) Contribution to the Provident Fund, Family Benefit Fund, Superannuation Fund as per the Rules of the Company.

(ii) Gratuity, as per the Rules of the Company, subject to the maximum ceiling as may be prescribed under the Payment of Gratuity Act, 1972 from time to time.

(iii) Earned Privilege Leave: As per the Rules of the Company, subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 day's salary for every year of completed services at the end of the tenure.

Category C:

(i) Car: The Company shall provide a car with chauffer for the Company's business and if no car is provided, reimbursement of the conveyance shall be as per actual on the basis of claims made by him.

(ii) Telephone: Free use of telephone, landline as well as Mobile phone, will be provided at the residence of Mr. Manish Gupta, Whole Time Director, for official purposes only.

I. General Information

1. Nature of Industry: Construction and Engineering Industry
2. Date or Expected Date of Commencement of Commercial Production: The Company was incorporated on 15th September, 1993 and commence commercial production immediately thereafter
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 (As per audited Financial Statement for the year ended 31st March,2014

| Particulars | Amount In Rs. |
|----------------------|-------------------|
| Sales & Other Income | 2,77,54,22,649.11 |
| EBIDTA | 4,72,26,97,08.13 |
| Net Profit | 9,41,34,132.63 |

5. Foreign investment or collaborators, if any: Not Applicable

II. Information about the appointee:

6. Background Details: Mr. Manish Gupta has done P.G.P. from IIT Mumbai and has been employment with the Company since 14th September, 2011.

7. Past Remuneration:

| Particulars | F.Y. 13-14 | F.Y. 12-13 |
|-------------|------------|------------|
| Salary | 1,00,000 | 1,00,000 |
| Perquisites | -- | -- |
| Total | 1,00,000 | 1,00,000 |

8. Recognition or Awards: He has got the Award as an Eminent Engineer from the Institute of Engineers (INDIA)
9. Job Profile and his suitability: Mr. Manish Gupta has been appointed as the Whole time Director of the Company and he will carry out such duties as may be entrusted to him by the Chairman and Managing Director but subject to supervision and control of Board of Directors, from time to time. Taking into consideration his qualification and expertise in the relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.
10. Remuneration proposed: Since the same have been already explained in detail hereinabove, the same are not repeated.
11. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be w.r.t. the country of his origin):
Considering the size of the Company, the profile of Mr. Manish Gupta, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.
12. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:
Besides the remuneration proposed, Mr. Manish Gupta does not have any pecuniary relationship with the Company.

III. Other Information:

- Reason for Loss or Inadequate Profits: N.A.
- Steps taken or proposed to be taken for improvement: N.A.
- Expected Increase in productivity and profits in measurable terms: N.A.

In view of the Provision of Sections 196,197,203 and any other applicable provision of the Companies Act, 2013 the Board recommends the Special Resolution set out at Item No.9 of the Accompanying Notice for the approval of members

Since the Resolution at Item No 9 relates to the payment of remuneration to Mr. Manish Gupta, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No 9. This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with stock exchange.

ITEM No.10

The members of the Company passed the Resolution through Postal Ballot held on 19th July, 2008 and it is approved by the way of an Ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956 borrowings over and above the aggregate of the paid up share capital and free reserves of the Company provided that the amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs 1000 Crores.

Section 180(1) (c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company paid up share capital and free reserves, apart from temporary loans obtained from the company bankers in the ordinary course of business, except with the consent of the Company accorded by way of Special Resolution.

It is therefore necessary for the members to pass a Special Resolution under Section 180 (1) (c) and other applicable provision of the Companies Act, 2013 to enable the Board of Directors to borrow any sum of money (including non-fund based facilities) from time at their discretion, for the purpose of the business of the Company, from any one or more banks, financial institution, and/or from any person or persons, firms, bodies corporate, whether by way of Loans, advances, deposit, bills discounting, or otherwise and whether secure or unsecured notwithstanding that the money to be borrowed together with the money already Borrowed by the Company, (apart from temporary loans obtained from the Company Bankers in the Ordinary Course of business) may , at any time, up to a sum of Rs 1000 Crore (Rupees One Thousand Crore) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorize to arrange or fix the terms and conditions of all such terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit."

None of the Directors, Key Managerial Personnel of the Company and /or their relatives may be deemed to be concerned or interested in the propose resolution.

ITEM No. 11

The members of the Company passed the Resolution through Postal Ballot held on 19th July, 2008 and it is approved by the way of an Ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956. However, pursuant to the provision of Sections 180(1) (a) to the Board of Directors to mortgage and /or charges, in addition to the mortgage/charges created/ to be created by the company, in such form and manner and with such ranking and at such time and on such terms as the board may determine , on all or any of the Movable and/or immovable properties of the company , both present and future and / or the whole or any part of the undertaking(s) of the company in favor of the lender(s)/ agent(s)/ trustee(s), with a power to the charge holders to take over the management of business and concern of the company in certain events of defaults, for securing the borrowings availed/ to be availed by the Company and / or any of the Company affiliate/ associate company. By way of loans(s) (in foreign currency and/ or rupee currency) and securities (comprising fully/ partly convertible Debentures and/ or Non-Convertible Debentures with or without detachable warrants and / or secured premium notes or other debt instruments(s) issued / to be issued by the company, from time to time, subject to the limits approved under Section 180(1) (a) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and /or their relatives may be deemed to be concerned or interested in the propose resolution.

ITEM NO. 12

The Board, on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs 75,000/- (Rupees Seventy Five Thousand Only) plus service tax and out of pocket expenses.

In accordance with the provision of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, Consent of the members is sought for passing an Ordinary resolution as set out at Item No.12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors, Key Managerial Personnel of the Company and /or their relatives may be deemed to be concerned or interested in the propose resolution.

Item No. 13

There was no restriction in the Companies Act, 1956 with respect to the appointment of Chairperson as well as the Managing Director or Chief Executive Officer at the same time. So the company has been appointing Mr. Sushil Gupta as the Chairman and Managing Director of the Company.

The existing AOA are based on the companies Act, 1956 and several regulations in the existing AOA certain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act. The Act is now largely in force.

None of the Directors, Key Managerial Personnel of the Company and /or their relatives may be deemed to be concerned or interested in the propose resolution.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for inspection by the Members of the Company, at its Registered Office, during the office hours between 11.00 A.M. to 1.00 P.M., on all working days except Sundays upto the date of the Annual General Meeting and shall also be available at the venue of the Meeting.

By Order of the Board of Directors

Place: Faridabad
Date: 14.08.2014

(Gaurav Yadav)
Company Secretary
& Compliance Officer

Registered Office:
Plot No.29, DLF Industrial Area,
Phase-II, Faridabad-121003, Haryana

Pursuant to Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, the information about the Director, seeking appointment/ re-appointment in the forthcoming Annual General Meeting is as follows

| | |
|---|--|
| Name of Director | Mr. Sandeep Gupta |
| Date of Birth | 15/06/1978 |
| Date of appointment on the Board | 17/01/2000 |
| Expertise in specific functional areas | Finance and Marketing |
| Qualification | Doctorate in Management |
| No of Equity Shares held in the Company | 1152968 |
| List of Public Companies (other than Richa Industries Limited in which Directorship held as on 31st March, 2014. | Richa Infrastructure Limited Richa Holdings Limited |
| Chairman/Member of the Committees of the Board of Public Companies in which he is a Director as on 31st March, 2014 | NIL |



RICHA INDUSTRIES LIMITED

Regd Office: Plot No. 29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana
Website: www.richa.in , CIN: L17115HR1993PLC032108, E-Mail: richa@richa.in

**ATTENDANCE SLIP
20th ANNUAL GENERAL MEETING**

Name of the Member
(In Block Letters)

Name of Proxy, If any
(In Block Letters)
(In case Proxy attends
the meeting in place of
member)

DP ID/Client ID/Folio No.

No. of Shares held

I/ We hereby record my/our presence at the 20th Annual General Meeting of the Company on Saturday, 13th September, 2014 at 10:30 A.M. At Hotel Delite, Faridabad (Haryana).

Signature of Proxy..... Signature of the Member.....

Note:

- Members/Proxy Holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the Meeting hall.
NO ATTENDANCE SLIP SHALL BE ISSUED AT THE MEETING.
- No briefcase, bag etc. Shall be allowed inside the Meeting hall.
- Please bring your copy of the Annual Report to the Meeting.
- The Meeting is of members only and you are requested not to bring with you any person who is not a member or a proxy.

E-VOTING PARTICULARS

| EVEN(E-Voting Event number) | USER ID | PASSWORD |
|-----------------------------|---------|----------|
| | | |

Note: Please read Instructions given at Note No. 13 of the Notice 20th Annual general Meeting of the Company before casting your vote through e-voting



RICHA INDUSTRIES LIMITED

Regd Office: Plot No. 29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana

Website: www.richa.in , CIN: L17115HR1993PLC032108, E-Mail: richa@richa.in

**Form No MGT -11
Proxy Form**

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

| |
|-------------------------|
| Name of the Member (s): |
| Registered Address: |
| E-Mail Id: |
| Folio No/Client ID: |
| DP ID: |

I/We, being the member(s) of Shares of the above name company, hereby appoint

1. Name:
 Address:.....
 E-Mail ID:.....
 Signature:, or Failing him

2. Name:
 Address:
 E-Mail ID:
 Signature:, or Failing

3. Name:
 Address:
 E-Mail ID:
 Signature:, or Failing

As my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 20th Annual General Meeting of the Company to be held on the 13th Day of September At 10.30 A.M. at Faridabad in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial Statements i.e. Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended 31st March, 2014 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Sandeep Gupta who retires by rotation at this AGM and Being eligible offers himself for re-appointment
3. To Re-appoint M/s Tayal & Co , Chartered Accountants as Statutory Auditors of the Company.
4. To consider appointment of Ms. Sonia Nankani as an Independent Director of the Company
5. To consider appointment of Mr. Nitin Agarwal as an Independent Director of the Company
6. To consider appointment of Mr. Jai Prakash Malhotra as an Independent Director of the Company

7. To consider and approve the payment of remuneration to Mr. Sandeep Gupta, Jt. Managing director and CFO of the Company
8. To consider and approve the payment of remuneration to Mr. Sushil Gupta, Chairman and Managing director of the Company
9. To consider and approve the payment of remuneration to Mr. Manish Gupta Whole Time director of the Company
10. To consider and approve increase in borrowing powers of the Company.
11. To consider and approve the mortgage of immovable or moveable of the Company
12. To approve the remuneration payable to Krishan S Berk Cost Auditors of the Company for the Financial Year 2014-2015
13. To consider and adopt new Articles of Association of the Company.

Signed this..... day of.....2014

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Signature of Shareholder:

Signature of Proxy holder (s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of meeting

**RICHA INDUSTRIES LIMITED**

Regd Office: Plot No. 29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana

Website: www.richa.in , CIN: L17115HR1993PLC032108, E-Mail: richa@richa.in**POSTAL BALLOT FORM (In Lieu of E-Voting at the AGM)**

| Sr. No. | Particulars | Details |
|---------|--|---------|
| 1. | Name of Shareholder(s) (Including Joint-holders, if any) (IN BLOCK LETTERS) | |
| 2. | Registered Folio No. DP ID No./ Client ID No. | |
| 3. | No. of Shares Held | |

I/We hereby exercise my/our vote in respect of the Ordinary / Special Resolution(s) to be passed through e-voting/Postal Ballot for the business stated in the AGM Notice Dated 14th August, 2014 of the Company by conveying my/our assent or dissent to the said resolution(s) in the relevant box below:

| Item No | Description | Type of Resolution (Ordinary/ Special) | No of Shares held by me | I/We assent to the resolution (For) | I/We dissent to the resolution (Against) |
|---------|---|--|-------------------------|-------------------------------------|--|
| 1. | To receive, consider and adopt the Audited Financial Statements i.e. Balance Sheet as at 31 st March, 2014 and the Profit and Loss Account for the year ended 31 st March, 2014 together with the reports of the Board of Directors and Auditors thereon. | Ordinary | | | |
| 2. | To appoint Mr. Sandeep Gupta who retires by rotation at this AGM and Being eligible offers himself for re-appointment | Ordinary | | | |
| 3. | To Re-appoint M/s Tayal & Co , Chartered Accountants as Statutory Auditors of the Company | Ordinary | | | |
| 4. | To consider appointment of Ms. Sonia Nankani as an Independent Director of the Company | Ordinary | | | |
| 5. | To consider appointment of Mr. Nitin Agarwal as an Independent Director of the Company | Ordinary | | | |
| 6. | To consider appointment of Mr. Jai Prakash Malothra as an Independent Director of the Company | Ordinary | | | |
| 7. | To consider and approve the payment of remuneration to Mr. Sandeep Gupta, Jt. Managing | Special | | | |

| | | | | | |
|-----|--|----------|--|--|--|
| | director and CFO of the Company | | | | |
| 8 | To consider and approve the payment of remuneration to Mr. Sushil Gupta, Chairman & Managing director of the Company | Special | | | |
| 9 | To consider and approve the payment of remuneration to Mr. Manish Gupta Whole Time director of the Company | Special | | | |
| 10 | To consider and approve increase in borrowing powers of the Company. | Special | | | |
| 11 | To consider and approve the mortgage of immovable or moveable of the Company | Special | | | |
| 12 | To approve the remuneration payable to Krishan S Berk Cost Auditors of the Company for the Financial Year 201-2015. | Ordinary | | | |
| 13. | To consider and adopt new Articles of Association of the Company | Special | | | |

Place:

Date:

(Signature of Member)

INSTRUCTIONS

1. In terms of Clause 35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the AGM in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided under Clause 35B of the Listing Agreement to facilitate e-voting provided under Section 108 of the Companies Act, 2013 at the 20th AGM of the Company.

2(i) Members who have not registered their e-mail addresses with the depositories or with the Company's Registrars are being sent this Postal Ballot Form along with the Notice of AGM, the e-voting details and self-addressed envelope bearing name of scrutinizer through Registered Post/Speed Post.

2(ii) Members who have registered their e-mail addresses with its depositories or with Company's Registrars can cast their votes by e-voting facility.

3. A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form, sign and send in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer as per instruction 7 below at the address: The Scrutinizer, Plot No. 29, DLF Industrial Area, Phase-II, Faridabad, Haryana. Postage will be borne and paid by the Company. Envelopes containing Postal Ballots, if deposited in person or sent by courier at the expenses of members will be accepted.

4. Kindly note that members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. If members are opting for e-voting, then they should not vote by Postal Ballot or vice versa. However, in case Members cast their vote both by Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Postal Ballot will be treated as invalid.

5. The Postal Ballot Form should be completed and signed by the Members. In case of joint shareholding, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member(s). Unsigned Postal Ballot Forms will be rejected. The signature on the Postal Ballot Form must tally with the specimen signature registered with the Bank.

6. Where the Postal Ballot Form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorizations to vote on the Postal Ballot should accompany the Postal Ballot Form. A member may sign the Form through an Attorney appointed specifically for this purpose, in such case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.

7. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 6.00 P.M on Tuesday, September 9, 2014. Any Postal Ballot Form received after this date will be treated as if the reply from the member has not been received. No other form or photocopy of the Postal Ballot Form will be permitted/accepted by the Company.

8. A member may request for a duplicate Postal Ballot Form, if so required. However the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at Instruction No. 7 above.

9. Voting rights of the members shall be in proportion of their share in the paid up equity share capital of the Company as on 8th August, 2014 which is the Record Date fixed for this purpose. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of voting will be announced within two days after conclusion of the Annual General Meeting at the Registered Office of the Company at Plot No. 29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana

10. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.

11. There will be only one Postal Ballot Form for every folio irrespective of the number of joint member(s).

12. A member need not use all the votes nor does he need to cast all the votes in the same way.

13. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

14. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

15. The date of AGM will be the deemed date of passing resolution(s) through e-voting/Postal Ballot. It may also be noted that, in terms of Section 114 of the Companies Act, 2013, the Resolutions contained in the AGM Notice will be deemed to have been passed through e-voting and Postal Ballot Form unless the Poll is taken at the AGM. Accordingly, the results shall be declared in terms of Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, as the case may be.

16. The right of e-voting and Postal Ballot Form Shall not be exercised at Proxy



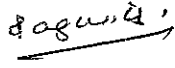



RICHA INDUSTRIES LIMITED

Innovation for Speed

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

| | | |
|--------------------|--|---|
| 1. | Name of the Company: | M/s Richa Industries Limited |
| 2. | Annual financial statements for the year ended | 31st March, 2014 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | -----NIL----- |
| 5. To be Signed By | | |
| | Managing Director |  Sh. Sushil Gupta |
| | Chief Financial Officer |  Dr. Sandeep Gupta |
| | Statutory Auditor |  C.A. R.A. Gupta M.No-080997 |
| | Audit Committee Chairman |  Ms. Sonra Nankani |

Corp. Office cum Regd. Office:

Plot No. 29, DLF Industrial Area, Phase II,
Faridabad - 121 003, Haryana, India
Phone : +91-129-4009262
E mail : richa@richa.in;
Website : www.richa.in

Faridabad Unit :

Village Kawnra,
Old Faridabad to Kheri-Jasana Road,
Faridabad - 121101
Phone : +91-129-2201132, 34,
Fax : +91-129-2201137

Kashipur Unit:

8th km Stone, NH-121, Ram Nagar Road,
Kashipur, Distt. Udam Singh Nagar,
Uttarakhand - 244713
Phone : +91-5947-223333,
Fax : +91-5947-223073

