



Chairman's Letter to Shareholders

"You are doing your best only when you are trying to improve what you are doing."

-Christopher Holliday

Dear Shareholders,

It is my immense pleasure to present before you the 17th Annual Report of your Company. In this short span the company has achieved many milestones like listing of the company on BSE, diversification from Textile to Pre-Engineered Buildings, setting up of various units and offices in the different parts of the country and many more. But it is not an end in itself, we still have a very long way to travel.

In the current fiscal, Indian economy grew at a faster rate as compared to last year with a majority of the sectors growing at more than 10 percent. While many global economies are reeling under various types of shocks and stresses, the Indian Economy has been swifter to grow, thanks to its strong fundamentals. Prudent financial management has been one of the primary reasons for achieving a GDP growth rate of 8.6% in the current fiscal 2010-2011.

I am happy to share with you that your Company too has scripted its own growth much on the same lines as the Indian Economy did. Learned from the stern lessons that the recession taught in the past few years, your Company has emerged as more stronger, more professional and more future-ready.

In the current competitive and rapidly evolving environment, it is not easy even to endure. But Richa, in view of its promises made to you, is continuously striving to serve you in the best possible manner, it can. During the year, your company has earned total revenues of Rs. 23877.64 Lac as compared to Rs. 17867.66 Lac of the previous year i.e. an increase of 33.64 %. The profit after tax of the company during the current fiscal has increased from Rs.566.29 Lac in 2009-10 to Rs. 844.82 Lac, an increase of 49.19 %.

It gives me immense pleasure that the Board of Richa has recommended a final dividend of 5% on the paid up value of the shares. The dividend is payable to the equity shareholders whose names appear in the records of our Registrar and Share Transfer Agent i.e. Link Intime India Private Limited as on the date of Book Closure. The payment of dividend is subject to approval by the shareholders on the Annual General Meeting.

Indeed, it was a satisfactory year for Richa operationally. Its key businesses namely, textile and PEB demonstrated significant improvement benefiting from a turnaround in the economy and aggressive marketing, brand promotion efforts.

Our strategy of investing in capacity building, Research & Development and the new markets collectively brought about the robust performance of fiscal 2010-11. Appreciation and accolades from our customers, industry bodies and the media always corroborate the confidence we have in our strengths and capabilities.

The Board of Richa consists of six well qualified, indomitable and experienced professionals. All of them are fully devoted to the growth and well being of the Company. All Board members are ambitious to take Richa up to the heights of sky. Each and every member of the Board of Richa is responsible for the good governance, transparency, growth and profitability of the Company. In short your Richa is in safe and sound hands.

I would like to express my sincere appreciation to our employees who deliver the value experience to our customers and stakeholders each day. Their dedication and hard work are invaluable contribution to the company's performance.

I would also like to thank our management team, who will continue to play critical roles in executing Richa's comprehensive growth strategy. I would like to thank our Board of Directors including our independent Directors for their support and inputs. At the same time, I would like to pay my heartfelt thanks to our Bankers whose unstinted faith and cooperation helps us to climb the stairs of success.

The fundamentals of our Company have not changed. We are confident that year 2011-12 will be another year of growth and a time for Richa to demonstrate its unique advantages and show its potential. We are excited about what lies ahead for us this year and for the long term.

Thank you once again for your time and continued patronage to Richa.

Warm regards,

Sushil Gupta

Chairman & Managing Director

Important Communication to Members

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliance by the companies and has issued circulars stating that the service of notice/documents including Annual Report can be sent to the members through electronic way via e-mail. In furtherance of support of this green initiative a request to register your e-mail with **richaindustriessgogreen@linkintime.co.in** and those who hold their shares in physical form are requested to fill the appropriate column in the members feedback form, refer in the last page.

Company Information

Board of Directors

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

Company Secretary

CS. Monika Jain

Statutory Auditors

Tayal & Company, Chartered Accountants
BP-49, First Floor, Neelam Bata Road,
Near Syndicate Bank, Faridabad
Phone : 0129-2412737

Secretarial Auditors

AGB & Associates, Company Secretaries
970, Sector 21D, Faridabad-121001
Phone : 0129-4080970

Bankers

Indian Overseas Bank
Corporation Bank
State Bank of India

Board Committees:

Audit Committee

Sh. Neeraj Bajaj	Chairman
Sh. J. P. Malhotra	Member
Sh. Sandeep Gupta	Member

Shareholders' / Investors' Grievance Committee

Grievance Committee

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

Remuneration Committee

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

Registered Office

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

Corporate Office

Plot No. 57, Sector-27C,
13/1, Mathura Road,
Faridabad - 121 003, Haryana, India

Textile Division

- VPO Kawnra
Old Faridabad to Kheri-Jasana Road,
Near Lingayas Inst. of Mgmt. & Tech.
Faridabad- 121101, Haryana, India
- Plot No. 5, Sector-7, IMT Manesar,
Gurgaon-122050, Haryana, India

PEB Division

8th Km. Stone, Ramnagar Road
NH-121, Kashipur,
Udam Singh Nagar
Uttarakhand – 244713, India

Registrar & Transfer Agent

Link Intime India Private Limited
A-40, 2nd Floor, Naraina Indl. Area
Phase-II, Near Batra Banquet Hall,
New Delhi-110 028

Stock Exchange Where Company's Securities are listed

Bombay Stock Exchange

E-mail

cs@richa.in

Web site

www.richa.in

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NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of Richa Industries Limited will be held on Tuesday, 13th September, 2011 at 10.00 am at Hotel Delight, 17-18 Neelam Bata Road, N.I.T. Faridabad - 121001, (Haryana), Phone No. 0129-2427672, 2427673 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011 together with the reports of the Board of Directors and Auditors thereon.
2. To declare final dividend at the rate of 5% (Rs. 0.50) per Equity Share of face value of Rs. 10/- each.
3. To appoint a director in place of Mr. Jai Prakash Malhotra who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s Tayal and Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Nitin Agarwal, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.”

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. In order to be effective, the instrument appointing proxy should be duly completed, stamped and signed and must be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting. The proxy so appointed shall not have any right to speak at the meeting.

2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members attending the meeting are requested to bring with them the attendance slip attached to the notice duly filled in and signed and handover the same at the entrance place of the meeting. Proxy / Representative of a member should mark on the Attendance Slip as “Proxy” or “Representative” as the case may be. Members holding shares in electronic form and desirous of attending the meeting are required to bring along with them their Client ID and DP ID Numbers for easy identification.
4. Members are requested to notify their change of address, if any, to the Share Transfer Agent, M/s Link Intime India Private Limited.
5. Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 8th September, 2011 to Monday, 12th September, 2011. (Both days inclusive).
6. Members desirous of having any information regarding accounts are requested to address their queries to the Manager-F & A at the Corporate Office of the Company at least seven days before the date of the meeting, so that the requisite information can be made available at the meeting.
7. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring with them their copies of the Annual Report at the meeting.
8. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business is annexed herewith.
9. Pursuant to the requirement of Corporate Governance under clause 49 of Listing Agreement, entered into with Bombay Stock Exchange, the information about the directors proposed to be appointed/ reappointed forms part to the Notice.
10. All documents (except Register of Members and Share Transfer Register) will be available for inspection by the members at the Corporate Office of the company between 10.30 A.M and 12.30 P.M on all working days from the date hereof up to the date of the meeting.

By Order of the Board of Directors
For Richa Industries Limited

Place: Faridabad
Date: 08.08.2011

(CS Monika Jain)
Company Secretary
& Compliance Officer

Registered Office:
VPO Kanwara, Old Faridabad to Kheri-Jasana Road,
Near Lingayas Institute of Management & Technology,
Faridabad- 121101

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

Name of Director	Jai Prakash Malhotra	Nitin Agarwal
Date of Birth	19.03.1949	14.05.1977
Relationships with other Directors inter-se	None	None
Date of appointment	16.06.2008	10.02.2011
Expertise in specific functional areas	Manufacturing of valves and related activities	Matters relating to Company Law, IPO's etc.
Qualifications	B.E (Mechanical)	LLB
No. of Equity Shares held in the Company	NIL	NIL
List of Public Companies (other than Richa Industries Limited) in which Directorship held as on 31 st March, 2011	NIL	NIL
Chairman / Member of the Committees of the Board of Public Companies in which he is a Director as on 31st March, 2011	Membership 1. Remuneration Committee (Richa Industries Ltd.) 2. Shareholder / Investor Grievance Committee (Richa Industries Ltd.) 3. Audit Committee (Richa Industries Ltd.)	Membership 1. Remuneration Committee (Richa Industries Ltd.) 2. Shareholder / Investor Grievance Committee (Richa Industries Ltd.)

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

Item No. 4

Mr. Nitin Agarwal, was appointed as an Additional Director of the Company w.e.f. 10.02.2011 and holds the office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Notice under Section 257 of the said Act has been received from a member signifying his intention to propose the name of Mr. Nitin Agarwal, for appointment as a Director of the Company.

Mr. Nitin Agarwal, has already filed his consent, to act as a Director, with the Company. Mr. Nitin Agarwal aged about 34 years, has an experience of over 9 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, IPO's etc. He is a Non-Executive, Independent Director.

The Resolution as set out in item No. 4 of the Notice will be placed before the meeting for the approval of the members. Your Directors recommend the approval of proposed resolution by the Members.

None of the Directors of the Company is interested except Mr. Nitin Agarwal, in the resolution.

By Order of the Board of Directors
For Richa Industries Limited

Place: Faridabad
 Date: 08.08.2011

(CS Monika Jain)
 Company Secretary &
 Compliance Officer

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 was incorporated in 1993 under the dynamic leadership of Mr. Sushil Gupta (M.Tech – IIT Delhi) with the vision to work as a catalyst in the growth of the industry, company to be identified as synonymous with quality & fashion and to be Numero Uno in the Industry.

Today Richa is a trusted name in the Indian textile industry for knitting, processing, dyeing and special finishing of fabrics thereby providing all services under one roof. Company has grown manifold in the last one decade.

Richa Industries has entered in the field of Pre-engineered buildings to give economical pre-engineered building solution to SME sector in India. Richa Industries aims to become the most manageable, customer friendly and having the best technology in pre-engineered steel buildings.

Richa Industries realizes that the Indian economy has great need of quality improvement in pre engineered steel buildings. There is a huge gap between economical pre-engineered steel buildings and best quality pre-engineered building. Richa Industries intent to bridge the gap by innovating design and systems in pre engineered steel buildings. The most aesthetical PEB can also be the most economical solution to PEB requirement in India.

Richa has employed the most efficient and competitive professional team to give a technological edge to pre engineered steel buildings in India. This will give the most competitive edge for small medium enterprises requirement for pre-engineered building needs with perfection in personalized and professionalized service.

Overview of the Economy

Growth of the economy in the year 2010-11 was swift and broad-based. The economy is back to its pre-crisis growth trajectory. The Indian economy has manifested the growth rate of 8.6% in the current fiscal as the western and other economies are reeling under various types of shocks and stresses. In 2010-11 agriculture is estimated to have grown at 5.4 per cent, industry at 8.1 per cent and services at 9.6 per cent. All three sectors are contributing to the consolidation of growth. More importantly, the economy has shown remarkable resilience to both external and domestic shocks.

The developments in the India's external sector in the current financial year were encouraging. Even as the recovery in developed countries is gradually taking root, our trade performance had improved. Exports had grown at 37.5 per cent to reach US Dollar 246 billion, while imports at US Dollar 350.3 billion had recorded a growth of 21.5 per cent during the year 2010-11, over the corresponding period last year.

Textile

Industry Overview

Indian Textile Industry is one of the leading textile industries in the world. Though was predominantly unorganized industry even a few years back, but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much-needed thrust to the Indian textile industry, which has now successfully become one of the largest in the world.

Indian textile industry largely depends upon the textile manufacturing and export. It also plays a major role in the economy of the country. India earns about 27% of its total foreign exchange through textile exports. Further, the textile industry of India also contributes nearly 14% of the total industrial production of the country. It also contributes around 3% to the GDP of the country. Indian textile industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry, but also opens up scopes for the other ancillary sectors. Indian textile industry currently generates employment to more than 35 million people.

Opportunities and Threats

In order to seize the opportunities expected to arise out of lifting of quota restrictions and other trade barriers, Indian Textiles industry is moving towards modernization and expansion as encouraged by the Textile Up gradation Fund Scheme (TUFS) set up by the Government of India.

With the removal of quotas and similar trade barriers, the market is expecting new opportunities. China's impressive production capacity and its growing strength compelled Europe and USA markets to impose trade restrictions on Chinese products. India could do well in proposing a valuable alternative to buyers on the international scene. Visible efforts in quality improvement, innovations through R&D programmes, and other value-added features bring a whole new dimension to the Indian products. In turn this has resulted in higher profits as compared to other regional producers.

Risks & Concerns

India is somewhat lagging behind in technology in the garment manufacturing sector and this seriously hinders increase in exportable production. Labour regulations are a major concern in India causing great harm to the industry at various levels. With no clear legislation, strikes and similar issues often bring business to complete halts.

Pre Engineered Buildings

Industry Overview

PEBs, as pre-engineered buildings are known in the industry jargon, have been around for a long time, but in India they have taken off only over the last couple of years. PEB consists of a complete steel framed building system, with

components pre-designed to fit together in a vast variety of combinations to meet the unique requirements of specific end-users to provide design flexibility, cost options and time minimization. PEB construction in factory environment is considered to be much stronger than the traditional structures.

Application of PEB includes warehouses, factories, workshops, offices, aircraft hangers, schools, hospitals, railway stations, show rooms and more. The advantages of PEB are superior product quality, fast project construction, architectural flexibility, low maintenance and operating costs, relatively low design and construction costs, option of single-source responsibility for building etc.

India is fast turning out to be a fertile ground for PEB as the country is witnessing a boom in the construction sector. Though the concept of PEBs is new to India, with an approximate market share of Rs. 4,000 crore it is steadily gaining ground in the country. Since pre-engineered building system is computer assisted and designed to create a building for a specific use – warehouses, factories, workshops, offices, gas stations, vehicle parking sheds, show rooms, aircraft hangers, schools, sports and recreational facilities, hospitals, labor camps and low cost housing – it can be rightly regarded as a new trend or innovation in the construction sector. The fact that the concept of PEBs is gaining ground in India shows the country's inclination to embrace new advancements in the fast emerging construction sector.

Opportunities and Threats

Today, the traditional construction industry is much more willing to experiment and try out new products and this would increase the scope of applications of our new high tech products.

At the same time, further addition of new capacities through expansion and modernization has resulted in decrease in prices. The situation is becoming more difficult by the increase in cost of freight, power and raw material.

Risks and Concerns:

As the Pre Engineered Building industry is relatively new in India, it is not fully exploited and there is lot of scope available. It is expected that the new entrants will enter the market soon and thereby it will result in the increased competition. With aggressive marketing and state of art technology we at 'Richa' are ready for all challenges.

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 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

Richa is fully committed to the safety, health and well-being of its employees and to minimizing the environmental impact on its business operations. A safe and healthy environment is maintained, and appropriate steps are taken with the object of minimizing the environmental impact on all processes and practices. The Company has a range of policies, including on quality, safety and health aspects to guide the employees work practices, actions and decisions. The Company strives to continuously improve the effectiveness of its policies and the employees are encouraged to contribute their mite in this direction. All employees are obliged to ensure that they fully understand all policies and do fully comply with the requirements.

Human Resource Development

One of the “Key” reasons for the exponential growth of Richa is undoubtedly its “People”. The Company has always provided an open and challenging work environment wherein the staff members get an opportunity to rapidly gain and assimilate knowledge. Creativity and dedication of all the employees represent the most precious assets of the Company. For the growth of the organization, the human resource function has an important role to play not only in identifying and recruiting suitable individuals but also in developing and rewarding its employees. As such, we have remained focused on strengthening human capital through continuous training and development and by upgrading skills of employees to meet the Company's objectives. The Company has a union free environment and the industrial relations scenario continued to be stable during the year.

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

Place: Faridabad

Date: May 30, 2011

(Sushil Gupta)
Chairman & Managing Director

Directors' Report

Dear Shareholders,

Your Directors are delighted to present Seventeenth Annual Report of your Company with the audited statement of accounts for the year ended March 31, 2011.

Financial Results

Highlights of financial results for the year are as follows:

(Rs. in Lacs)

Particulars	Current Year 31.03.2011	Previous Year 31.03.2010
Gross Sales	22858.12	17456.38
Other Income	32.33	78.81
Increase/(Decrease) in Stock	987.19	332.47
Total Revenue	23877.64	17867.66
Profit before Interest, Depreciation & Tax	3433.41	2177.36
Interest	1621.97	954.14
Depreciation	550.14	478.31
Profit before Tax	1261.20	744.91
Tax including Deferred Tax/Fringe Benefit Tax	416.49	178.62
Profit after Tax	844.82	566.29
Balance brought forward from previous year	2893.66	2454.70
Amount available for distribution	3738.47	3020.99
Proposed Dividend	84.63	84.63
Tax on Dividend	14.38	14.38
Transfer to Reserves	42.24	28.31
Balance carried to Balance Sheet	3597.23	2893.66

OPERATIONS

The total income of the Company during the year was Rs. 23877.64 Lac against Rs. 17867.66 Lac in the previous financial year. The increase in total income was mainly due to increase in domestic sales and exports. The total expenditure during the year was Rs. 22616.31 Lac against Rs. 17122.75 Lac in the previous financial year. The increase in total expenditure was mainly due to increase in consumption of raw material, increase in manufacturing expenses, interest and so on.

The profit before tax for the year under review was higher at Rs. 1261.30 Lac from Rs. 744.91 Lac in the previous financial year and the same was the case of the profit after tax for the year under review at Rs. 844.82 Lac compared to Rs. 566.29 Lac 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. 4.99 per share respectively as against Rs. 3.34 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

Mr. Nitin Agarwal was appointed as an Additional Director on the Board w.e.f 10th February, 2011, in accordance with Section 260 of the Companies Act, 1956. Notices have been received from members pursuant to Section 257 of the Companies Act, 1956 proposing the appointment of Mr. Nitin Agarwal as Director on the Board of the Company.

Mr. Jagbir Singh Chaudhary resigned from the Board of Directors of the Company w.e.f May 30, 2011. The Board places on record the great zeal and dedication with which Mr. Chaudhary served the company during his association since May 2008. The Board is deeply grateful for the mature and professional advice and guidance of Mr. Chaudhary, from which the company had immensely benefited and acknowledges the role of Mr. Chaudhary in reaching the Richa Group at its present enviable stature.

In terms of Article 138 of the Articles of Association, Shri Jai Prakash Malhotra, Director, retires by rotation and being eligible, offers himself for reappointment at the ensuing 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 are pleased to recommend for approval of the members a final dividend of 5% i.e Rs. 0.50 per share for the financial year 2010-11 on the capital of 16,925,554 Equity Shares of Rs. 10/- each. The final dividend on the Equity Shares, if approved by the members would involve a cash outflow of Rs. 8,462,777/- excluding dividend tax. The total cash outflow on account of dividend including dividend tax for the year 2010-11 would aggregate to Rs. 9,901,027/- resulting in a payout of 11.72% of the profit after tax.

Transfer to Reserves

The Company proposes to transfer Rs. 4,224,084 /- to the General Reserve out of the amount available for appropriations and an amount of Rs. 359,722,968.43/- 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 (earlier M/s Ajay Garg & Associates), Practicing Company Secretaries, to conduct limited purpose Secretarial Audit of the Company for the financial year ended March 31,

2011. The emphasis of the report 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 224(1B) of the Companies Act, 1956. 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.

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, 2011

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

Awards & Certificates

During the year under report, your Company has earned certificate from 'BSCIC' ISO 9001:2008 for operating a Quality Management System in respect of design, development, manufacture and supply of Pre Engineered Buildings. The company has also received GOTS for its IMT Division.

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, the applicable accounting standards have been followed and that no material departures is made from the same.
- b) we 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, 2011 and of the profit or loss of the Company for that period;
- c) we 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; and
- d) we have prepared the annual accounts 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**

Place: Faridabad

Date: May 30, 2011

Sushil Gupta
Chairman & Managing Director

Annexure I to Director's 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, 2011 are given as under :

1. CONSERVATION OF ENERGY

Energy conservation continued to have high prominence as in previous years. Some of the initiatives taken during the financial year 2010-11 were as follows:

1.1 Energy Conservation measures taken during the year 2010-11:

- The Company has got BSCIC ISO 9001:2008 Certificate 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 has installed compactors both at Kanwara and IMT units. These compactors make it possible for the company to double its output with the existing machinery, same amount of inputs and energy.
- Continuous R&D by our R&D Department has made it possible to shorten the manufacturing process by approx 30 minutes. It has resulted in saving of water and energy and increase in productivity.

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	Year ended 31.03.2011		Year ended 31.03.2010	
	Textile	PEB	Textile	PEB
1.4.1				
1.4.1.1 Power & Fuel Consumption				
a) Electricity Purchased				
No. of Units (in Lacs)	54.55	2.94	43.49	0.54
Cost (Rs. in Lacs)	276.05	20.41	195.87	2.69
Cost per unit (in Rs.)	5.06	6.94	4.50	4.96
b) Own generation				
Through diesel generator				
Units generated (in Lacs)	11.24	1.40	15.48	1.22
Diesel consumed (000 ltrs.)	387.83	35.58	452.14	34.60
Units per ltr of diesel	3.43	3.96	3.42	3.53
Cost (Rs. in Lacs)	133.24	14.01	131.62	12.42
Cost per unit (in Rs.)	11.85	10.01	8.50	10.18
1.4.1.2 Coal				
Quantity (tons)	6401	-	5516.14	---
Cost (Rs. in Lacs)	412.82	-	308.48	---
Cost per ton (in Rs.)	6499.30	-	5592.34	---

1. TECHNOLOGY ABSORPTION

Form B for disclosure of particulars with respect to Technology Absorption 2010-11

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 Metal Building Software locks and STAD Pro during the financial year 2010-11. 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.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange Used and Earned

(Rs. in Lacs)

Particulars	Current Year 2010-11	Previous Year 2009-10
Earnings	261.54	1.63
Outgo	458.38	319.03

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. 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	Category	Shareholding in Company (No. of Shares)	No. of Directorship 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	Executive Non-Independent	1055706	4	NIL	NIL
Mr. Sandeep Gupta	Jt. Managing Director	Executive Non-Independent	1152968	4	1	NIL
Mr. Manish Gupta	Whole Time Director	Executive Non-Independent	168954	4	NIL	NIL
Mr. Neeraj Bajaj	Director	Non- Executive Independent	NIL	2	3	3
Mr. Nitin Agarwal	Director	Non- Executive Independent	NIL	1	2	NIL
Mr. J. P. Malhotra	Director	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 than 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 46 years is the Chairman & Managing Director of Richa Industries Limited, having more than 22 years of experience in the industry. He is an awardee of Udyog Patra and Udyog Vibhushan. He has got wide experience in information technology, project engineering and textiles. 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.

Sh. Sandeep Gupta
(DIN 00035751)

Shri Sandeep Gupta aged 33 years is the Joint Managing Director of the Company w.e.f. 29.12.05. He has more than 11 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 his 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 32 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. He has 9 years experience in the line of textile industry. He has done - B.Tech in Textile Chemistry from Shivaji University, DKTE, Ichalkaranji, Maharashtra.

Sh. Neeraj Bajaj
(DIN 00035778)

Sh. Neeraj Bajaj aged 42 years, has an experience of over 20 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 62 years, has an experience of over 41 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 34 years, has an experience of over 9 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, IPO's etc. He joined us in February, 2011. He is a Non-Executive, Independent Director.

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 2010-11 is given below:

Name of the Director	Attendance of meetings during 2010-11	
	Board Meetings	Last AGM
Sh. Sushil Gupta	5	Yes
Sh. Sandeep Gupta	6	Yes
Sh. Manish Gupta	6	Yes
Sh. Neeraj Bajaj	6	No
Sh. J. S. Chaudhary	5	No
Sh. J. P. Malhotra	6	No
Sh. Nitin Aggarwal	1	No

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
April 26, 2010	6	5
May 31, 2010	6	6
August 13, 2010	6	5
November 15, 2010	6	6
January 29, 2011	6	6
February 10, 2011	7	7

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%
	Richa Building Systems Ltd.	Director on the Board, Shareholding > 2%
	Richa Holdings Ltd.	Director on the Board, Shareholding > 2%
Mr. Sandeep Gupta	Richa Holdings Ltd.	Director on the Board, Shareholding > 2%
	Richa Building Systems Ltd.	Director on the Board, Shareholding > 2%
	Richa Infrastructure Ltd.	Director on the Board, Shareholding > 2%
	Jewel Garments (P) Ltd.	Director on the Board, Shareholding > 2%
Mr. Manish Gupta	Richa Infrastructure Ltd.	Director on the Board, Shareholding > 2%
	Richa Building Systems Ltd.	Director on the Board, Shareholding > 2%
	Richa Holdings Ltd.	Director on the Board, Shareholding > 2%
Mr. Neeraj Bajaj	Gallium Industries Ltd.	Director on the Board (Alternate Director)
	SPM Autocomp Systems (P) Ltd.	Director on the Board
Mr. J. P. Malhotra	Bhartiya Valves (P) Ltd.	Director on the Board, Shareholding > 2%
	Gautam Engineering Works	Partner
Mr. Nitin Aggarwal	NA	NA

3. Audit Committee
Broad Terms of Reference

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:

- a. 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;
- b. 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;
- c. reviewing, with the management, the annual financial statement before submission to the Board for approval,
- d. reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- e. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- f. discussion with internal auditors any significant findings and follow up thereon;
- g. 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, 2011.

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
Sh. Sandeep Gupta	Member	Executive Director

Shri Sandeep Gupta, who is the member of the Audit Committee, was present at the Sixteenth Annual General Meeting of the Company held on September 13, 2010 to answer the shareholders' queries.

MEETINGS AND ATTENDANCE

The Audit committee held four meetings during the financial year ended March 31, 2011 and the gap between two meetings did not exceed four months. The Audit Committee Meetings were held on May 31, 2010; August 13, 2010; November 15, 2010 and February 10, 2011.

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
Sh. Sandeep Gupta	4	4	Nil

Internal Auditors

The Company has appointed a firm of Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

4. Remuneration 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 Aggarwal	Member	Non Executive Director

The Company Secretary acts as secretary to the Committee.

The function of the Remuneration Committee includes recommendation for 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, 2011. The Remuneration Committee Meeting was held on August 13, 2010.

The attendance of the members 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	1	1	Nil
Sh. J. P. Malhotra	1	1	Nil
Sh. J.S. Chaudhary	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 the resolutions 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, Jt. 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 2010-11:

Name	Salary#	Perquisites	Provident Fund	Total
Sh. Sushil Gupta	Rs. 9,77,419.36	—	Rs. 68,400/-	Rs. 10,45,819.36
Sh. Sandeep Gupta	Rs. 9,77,419.36	—	—	Rs. 9,77,419.36
Sh. Manish Gupta	Rs. 8,43,870.97	—	—	Rs. 8,43,870.97

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, 2011:

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

5. Shareholders'/Investors' Grievance Committee
Composition

The Shareholders'/Investors' Grievance Committee comprises of Non-Executive and Independent Directors. The composition of Shareholders'/Investors' Grievance Committee is as follows:

Terms of Reference

The Shareholders'/Investors' Grievance Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, rematerialization and dematerialization of shares and transfer of shares of the Company. The Committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc.

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 31.05.2010, 13.08.2010, 15.11.2010 and 10.02.2011. The attendance of each member as at 31st March, 2011 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. J.S. Chaudhary	4	4	Nil

Compliance Officer

Ms. Monika Jain, 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 31.03.2011	: Nil
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	: Nil
*No. of Investors complaints pending at the ending of the year 31.03.2011	: 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.

6. 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.

7. Legal Compliance Reporting

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

8. 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
2007-08	14 th AGM	29 th September, 2008	4.00 p.m.	FCCI Center Near Tubewell No.4 Sector-11B, Faridabad Haryana-121006	None
2008-09	15 th AGM	26 th September 2009	4.30 p.m.		Two
2009-10	16 th AGM	13 th September, 2010	4.30 p.m.		Three

9. Postal Ballot

No special resolution was passed through Postal Ballot during the financial year 2010-11.

10. Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial year 2010-11.

11. Disclosure

a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There were 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. The transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' are disclosed in Note No. 6 of Notes to Accounts of Schedule 23 of the Accounts in the Annual Report.

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 Annexure to Notes to Accounts.

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 Stock Exchange or any statutory authority for non-compliance of any matter related to the capital market since the listing of the Company.

e) 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.

12. Means of Communication

- ❖ The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results, in the performat prescribed by Clause 41 of the Listing Agreement within the time prescribed by that clause.
- ❖ The approved financial results are sent forthwith to the Bombay Stock Exchange and are published in a National English Newspaper. In addition, the same are published in a local language newspaper, with in forty-eight hours of approval thereof.
- ❖ The Company's financial results and official news releases are being displayed on the Company's website i.e. www.richa.in.
- ❖ No formal presentations or analysis were made to the institutional investors during the year under review.
- ❖ Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

13. 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.

14. 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

15. 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.

16. General Shareholder Information

Registered Office

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

Annual General Meeting

Day, Date, Time	Tuesday, 13th September, 2011, 10.00 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, 2011	:	End July, 2011
❖ Financial reporting for the half year ending September 30, 2011	:	End October, 2011
❖ Financial reporting for the quarter ending December 31, 2011	:	End January, 2012
❖ Financial reporting for the year ending March 31, 2012	:	End April, 2012

Book Closure Period

September 8th, 2011 to September 12th, 2011 (Both days inclusive)

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

Bombay Stock Exchange Limited, (BSE)
P. J. Towers, 25th Floor, Dalal Street,
Mumbai-400001, Maharashtra

Listing Fees

Annual Listing Fee for the year 2011-12 has been paid to Bombay Stock Exchange where the equity shares of the Company are listed in the Month of April, 2011 i.e. within the stipulated time.

Stock Code

Scrip Code – Bombay Stock Exchange – ‘532766’

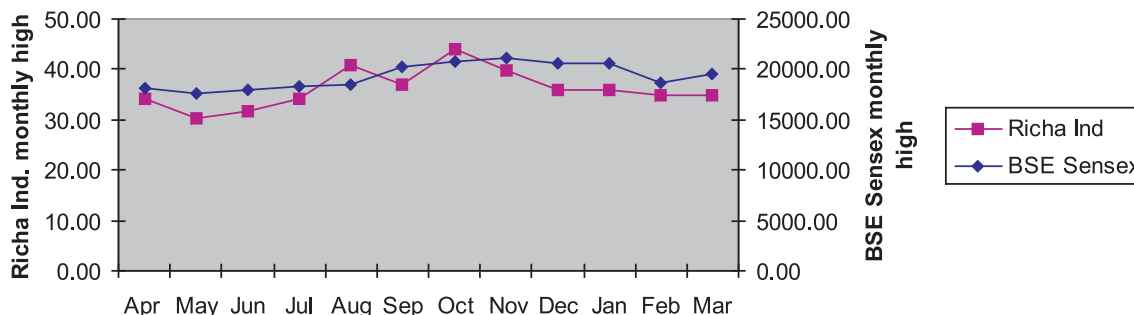
ISIN for Equity Shares – INE516H01012

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 INDUSTRIES LTD.		BSE (SENSEX)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2010	34.20	28.50	18,047.86	17,276.80
May, 2010	30.15	22.50	17,536.86	15,960.15
June, 2010	31.75	23.00	17,919.62	16,318.39
July, 2010	34.00	26.00	18,237.56	17,395.58
August, 2010	40.95	27.30	18,475.27	17,819.99
September, 2010	36.90	32.25	20,267.98	18,027.12
October, 2010	44.00	33.00	20,854.55	19,768.96
November, 2010	39.85	29.15	21,108.64	18,954.82
December, 2010	35.95	24.15	20,552.03	19,074.57
January, 2011	36.00	30.00	20,664.80	18,038.48
February, 2011	34.90	27.00	18,690.97	17,295.62
March, 2011	34.90	26.45	19,575.16	17,792.17

Stock Performance of the Company vis-a-vis BSE Sensex



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:

LINKINTIMEINDIAPRIVATELIMITED

Address	Mumbai Office C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai-400 078	Delhi Office A-40, 2 nd Floor, Naraina Indl. Area Phase-II, Near Batra Banquet Hall, New Delhi-110 028, India
Telephone	022-2596 3828	011-4141 0592, 93, 94
Contact Person	Mr. Ganesh Kumar	Mr. Bharat Bhushan
Email	mumbai@linkintime.co.in	indelhi@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 Agents within a period of 15 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 share only in electronic form. The process for getting the shares dematerialized is as follows:

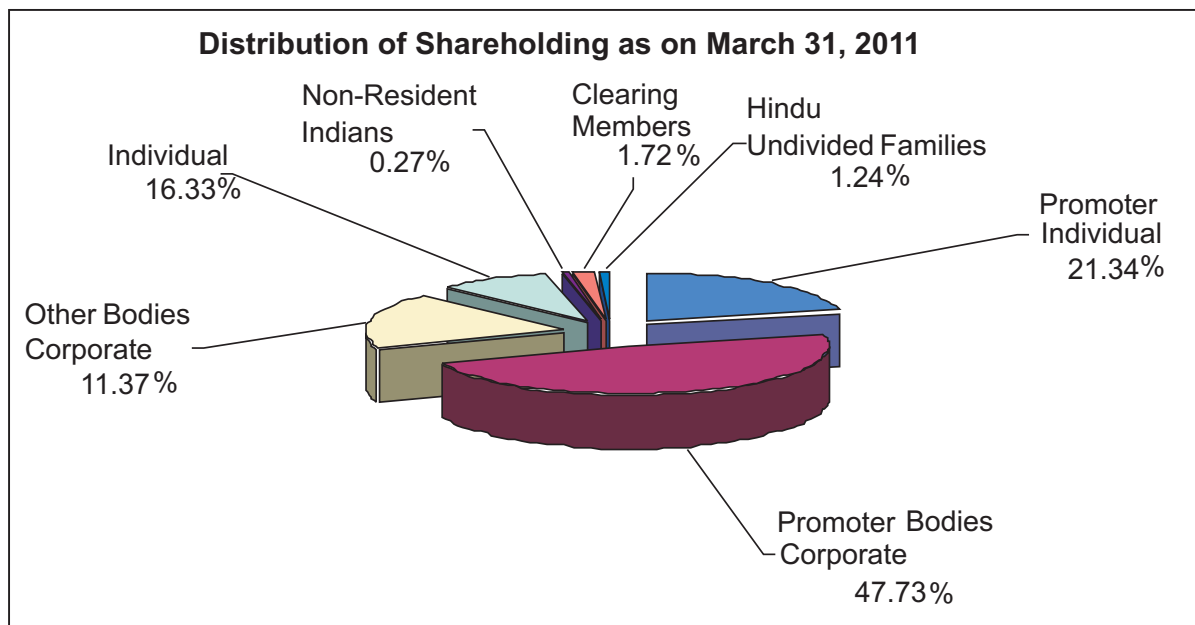
- ❖ Shareholder submits the share certificates along with Dematerialization request Form (DRF) to Depository Participant (DP).
- ❖ DP processes the DRF and generates a unique Dematerialization Request No.
- ❖ DP forwards DRF and share certificates to Registrar and Share Transfer Agent (RTA).
- ❖ RTA 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 are holding shares in physical form get their shares dematerialized.

Shareholding Pattern as on March 31, 2011

	CATEGORY	NO. OF SHARE HELD	PERCENTAGE OF SHAREHOLDING
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
(a)	Individuals/ Hindu Undivided Family	3611109	21.34
(b)	Bodies Corporate	8078774	47.73
	Sub Total(A)(1)	11689883	69.07
2	Foreign		
	Sub Total(A)(2)
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	11689883	69.07
(B)	Public shareholding		
1	Institutions		
	Sub-Total (B)(1)
2	Non-Institutions		
(a)	Bodies Corporate	1924162	11.37
(b)	Individuals		
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh*	1226916	7.25
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1537141	9.08
(c)	Any Other		
(c-i)	Non-Resident Indians	45467	0.27
(c-ii)	Clearing Members	291592	1.72
(c-iii)	Hindu Undivided Families	210393	1.24
	Sub-Total (B)(2)	5235671	30.93
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	5235671	30.93
	TOTAL (A)+(B)	16925554	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued
	GRAND TOTAL (A)+(B)+(C)	16925554	100.00



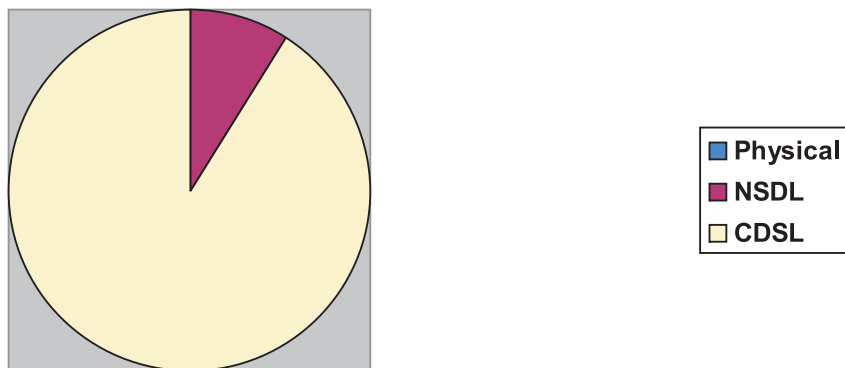
Shareholding Pattern by Size

The distribution of shareholding as on 31st March, 2011 is given below:

Share holding of nominal value of		Share holders		Physical	SHARES	AMOUNT	Total	
Rs.	Rs.	Number	% of total	(In Rs.)	NSDL Demat	CDSL Demat		
Upto	2,500	1657	59.16	850	1094720	494790	1590360	0.94
2,501 —	5,000	449	16.03		1237300	552400	1789700	1.06
5,001 —	10,000	322	11.50		1842170	752000	2594170	1.53
10,001 —	20,000	147	5.25		1669590	561790	2231380	1.32
20,001 —	30,000	57	2.03		1047960	417010	1464970	0.86
30,001 —	40,000	30	1.07		724730	367640	1092370	0.66
40,001 —	50,000	26	0.93		740770	461370	1202140	0.71
50,001 —	1,00,000	37	1.32		1815080	1076340	2891420	1.71
1,00,001 & Above		76	2.71		8590310	145808720	154399030	91.21
TOTAL		2801	100.00	850	18762630	150492060	169255540	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, 2011.



Details of shareholders holding more than 1% of paidup share capital as on March 31, 2010

Name of shareholder	No. of shares held	% of shareholding
Sushil Gupta	1055706	6.24
Geeta Devi	275570	1.63
Subhash Gupta	481667	2.85
Usha Gupta	346498	2.05
Sandeep Gupta	1152968	6.81
Richa Holdings Limited	7621156	45.03
Jewel Garments Private Limited	457618	2.70
Guru Securities Solutions Private Limited	325606	1.92
Sunvision Infotech Private Limited	267857	1.58
Aureole Softwares Private Limited	422448	2.50
Arcadia Share and Stock Brokers Private Limited	195346	1.15
BOI Shareholding Limited	291000	1.72

Nomination

Shareholders holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit their request to Company in Form 2B.

Plant Locations

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

Dying and Processing Division	Knitting and Processing Division	PEB Division
Plot No. 5, Sector-7, IMT Manesar, Gurgaon-122050, Haryana	Village Kawnra, Kheri-Jasana Road, Near Lingayas Institute of Management & Technology, Faridabad-121101, Haryana	8th km Stone, Ramnagar Road, NH 121, Kashipur Udam Singh Nagar, Uttarakhand-244713

Address for Correspondence

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

For Shares held in Physical Form:
LINKINTIMEINDIAPRIVATELIMITED
Address
Mumbai Office

C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup
West Mumbai-400 078

Delhi Office

A-40, 2nd Floor, Naraina Indl. Area
Phase-II, Near Batra Banquet Hall,
New Delhi-110 028

Telephone

022-2596 3828

011-4141 0592, 93, 94

Contact Person

Mr. Ganesh Kumar

Mr. Bharat Bhushan

Email

mumbai@linkintime.co.in

indelhi@linkintime.co.in

Website

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.

For Shares held in Demat Form:

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

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

Secretarial Department
Richa Industries Limited
Plot No. 57, Sector-27C,
13/1, Mathura Road,
Faridabad-121003, Haryana

Phone No. 91 129 4133968

Fax No. 91 129 4133969

E-mail : cs@richa.in

Website: www.richa.in

17. 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 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.

18. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary 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.

19. 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 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 were 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 systems 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.

Sandeep Gupta
Jt. Managing Director

Sushil Gupta
Chairman & Managing Director

Place: Faridabad
Date: May 30, 2011

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 March 31, 2011, 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 the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of 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 and 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 the 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
(FRN 001845N)

(CA R.A. Gupta)
Partner
Membership No. 080997
Place: Faridabad
Date: May 30, 2011

To
The Board of Directors
Richa Industries Limited
Faridabad

CERTIFICATION BY
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We have reviewed the financial statements and cash flow statements for the year 2010-11 and that to the best of our knowledge and belief, hereby certify that :

1. these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
2. 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;
3. there are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 which are fraudulent, illegal or in violation to the Company's Code of Conduct;
4. we accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal controls systems of the Company and we have disclosed to the auditors and to the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;
5. we further certify that :
 - a) there have been no significant changes in internal control during the year;
 - b) there have been no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - c) there have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control systems.

Place: Faridabad
Date: May 30, 2011

CA Pran Nath Singh
Manager - F & A

Sushil Gupta
Chairman & Managing Director

**DECLARATION REGARDING COMPLIANCE BY BOARD
MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH
THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR
MANAGEMENT PERSONNEL**

This is to confirm that Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is available on the Company's website.

I confirm that the company has in respect of the Financial Year ended 31st March, 2011, received from the members of the Board and Senior Management Personnel a declaration of compliance with the code of conduct as applicable to them.

Place : Faridabad
Date : May 30, 2011

Sushil Gupta
Chairman & Managing Director

Auditors' Report

To the Members of
Richa Industries Limited

- 1 We have audited the attached Balance Sheet of RICHA INDUSTRIES LIMITED (“the company”) as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on the date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion
- 3 As required by the Companies (Auditor's Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order, to the extent applicable to the Company.
- 4 Further to our comments in Annexure referred to in paragraph (3) above, 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;
 - e) on the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2011 from being appointed as directors in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principal generally accepted in India;
 - 1 in the case of Balance Sheet, the state of affairs of the Company as at 31st March, 2011;
 - 2 in the case of Profit & Loss Account, the profit for the year ended on the date; and
 - 3 in the case of the Cash Flow Statement, the Cash flows for the year ended on that date.

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

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

Place : Faridabad
Date : May 30, 2011

Annexure to Auditors' Report

Annexure referred to in paragraph 3 of the auditors' report of even date to the Members of RICHA INDUSTRIES LIMITED, on the financial statements for the year ended 31st March, 2011, we report that:

- (i)
 - (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (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) no substantial part of fixed assets has been disposed off during the year;
- (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 is maintaining 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 Ltd. Rs. 1154.50 Lac and Richa Holdings Ltd. Rs. 962.50 Lac) amount involved is Rs. 2117 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 loans taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company; and
 - (d) Repayment of principal amounting to Rs.672.50 lac (Two parties).
 - (e) Balance outstanding as on 31.03.2011 is Rs.2117 Lac (Two party), which is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and also 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, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of The Companies Act, 1956 aggregating during the year to Rs. 500000/- (Rupees Five Lac Only) or more in respect of each party;
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public, and hence, the directives issued by the Reserve Bank of India and provisions of Section 58A, and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

- (vii) The Company has an internal audit system, the scope and coverage of which is commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of companys' activities.
- (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, 2011 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/ Income Tax/ Custom Duty/Excise Duty/Education Cess / Service Tax / Wealth Tax / as on 31st March, 2011;
- (x) The Company does not have accumulated losses as at the end of financial year. The Company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year;
- (xi) The Company has not defaulted in repayment of dues to any financial institution or bank or debentures holder as on the Balance Sheet date;
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or 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 Order 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 banks or financial institutions during the year;
- (xvi) In our opinion and according to information and explanations given to us, term loans had been applied for the purpose for which the loans were obtained;
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investments;
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of Act,1956;
- (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 fraud on or by the Company has been noticed or reported during the year.

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

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

Place : Faridabad
Date : 30.05.2011

Balance Sheet as at 31st March, 2011

(Amount in Rs.)			
PARTICULARS	Schedule No.	As at 31 March, 11	As at 31 March, 10
I. SOURCES OF FUNDS			
(1) Share Holders' Fund			
(a) Share Capital	1	170,124,580.00	170,124,580.00
(b) Reserves & Surplus	2	559,578,449.47	484,997,793.44
(c) Deferred Tax		77,697,895.00	61,200,193.00
		807,400,924.47	716,322,566.44
(2) Loan Funds			
(a) Secured Loans	3	1,519,964,507.96	1,115,325,179.55
(b) UnSecured Loans	4	211,700,000.00	112,900,000.00
		1,731,664,507.96	1,228,225,179.55
Total		2,539,065,432.43	1,944,547,745.99
II APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	5	1,650,239,961.26	1,236,501,435.77
(b) Less Depreciation		181,861,216.72	127,358,502.05
(c) Net Block		1,468,378,744.54	1,109,142,933.72
(d) Capital Work-in-Progress		13,520,034.80	7,797,623.00
		1,481,898,779.34	1,116,940,556.72
(2) Investments			
	6	7,200,000.00	7,200,000.00
(3) Current Assets, Loans & Advances			
(a) Inventories	7	992,158,141.11	620,562,634.43
(b) Sundry Debtors	8	371,901,022.03	425,100,844.92
(c) Cash & Bank Balances	9	41,080,310.42	34,289,515.12
(d) Loans & Advances	10	67,014,680.39	35,136,834.05
Total (A)		1,472,154,153.95	1,115,089,828.52
Less Current Liabilities & Provisions			
(a) Current Liabilities	11	371,027,483.86	261,923,354.25
(b) Provisions	12	51,360,017.00	33,059,285.00
Total (B)		422,387,500.86	294,982,639.25
NET CURRENT ASSETS		1,049,766,653.09	820,107,189.27
(4) Miscellaneous Expenditure			
(To extent not written off or adjusted)	13	200,000.00	300,000.00
		2,539,065,432.43	1,944,547,745.99

Significant accounting policies & notes on accounts (as per Schedule 23)

As per separate report of even date attached for **Tayal & Co.**
Chartered Accountants
(Firm Registration No. 001845N)

CA Pran Nath Singh
Manager - F&A

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

(CA R A Gupta)
Partner
M No 080997

CS Monika Jain
Company Secretary

Sandeep Gupta
Jt Managing
Director

Sushil Gupta
Chairman &
Managing Director

Place : Faridabad
Date : 30.05.2011

Profit & Loss Account for the year ended 31st March, 2011

(Amount in Rs.)

PARTICULARS	Schedule No.	Year ended 31 March, 11	Year ended 31 March, 10
INCOME			
Gross Sales	14	2,285,811,697.17	1,745,638,224.06
Other Income	15	3,233,000.86	7,881,095.91
Increase/(Decrease) in Stocks	22	98,719,347.65	33,246,877.80
TOTAL INCOME		2,387,764,045.68	1,786,766,197.77
EXPENDITURE			
Raw Material Consumed	16	1,803,529,668.18	1,377,417,809.77
Manufacturing Expenses	17	107,906,352.68	66,926,959.17
Payment to and Provisions for Employees	18	90,060,680.00	53,231,806.17
Administrative & Other Expenses	19	30,596,011.05	59,913,476.98
Selling & Distribution Expenses	20	12,330,177.53	11,540,487.55
Interest & Financial Expenses	21	162,196,939.72	95,413,533.94
Depreciation	5	55,013,962.49	47,831,325.40
TOTAL EXPENDITURE		2,261,633,791.65	1,712,275,398.98
PROFIT BEFORE TAX		126,130,254.03	74,490,798.79
PROVISION FOR TAX			
Provision for Income Tax AY 11-12		24,800,000.00	13,000,000.00
Fringe Benefit Tax		-	(16,635.00)
Provision for Deferred Taxation		16,497,702.00	3,900,000.00
Tax Paid for Earlier Years		350,869.00	978,408.00
TOTAL		41,648,571.00	17,861,773.00
PROFIT AFTER TAX (PAT)		84,481,683.03	56,629,025.79
Balance Brought Forward from previous year		289,366,396.40	245,469,848.61
APPROPRIATIONS			
Proposed final dividend on Ordinary Shares FY 10-11		8,462,777.00	8,462,777.00
Tax on Proposed Dividends - Provision FY 10-11		1,438,250.00	1,438,250.00
Transfer to General Reserves 5% of PAT		4,224,084.00	2,831,451.00
Balance Carried to Balance Sheet		359,722,968.43	289,366,396.40
Earning per share			
Basic		7.00	6.19
Diluted		4.99	3.35
Significant accounting policies & notes to accounts (as per Schedule 23)			

As per separate report of even date attached for Tayal & Co.
Chartered Accountants
(Firm Registration No. 001845N)

CA Pran Nath Singh
Manager - F&A

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

(CA R A Gupta)
Partner
M No 080997

CS Monika Jain
Company Secretary

Sandeep Gupta
Jt Managing
Director

Sushil Gupta
Chairman &
Managing Director

Place : Faridabad
Date : 30.05.2011

Schedule 1 to 23 annexed to and forming part of the Balance Sheet and Profit & Loss Account

(Amount in Rs.)		
Schedules annexed to & forming part of Balance Sheet & Profit & Loss Account	As at 31 March, 2011	As at 31 March, 2010
SCHEDULE - 1		
SHARE CAPITAL		
Authorised Capital		
(30000000 Equity Shares of Rs 10/- each)	300,000,000.00	300,000,000.00
(PY 30000000 Equity Shares of Rs 10/- each)		
Issued Capital		
{17099362 Equity Shares of 10/- each fully paid up}	170,993,620.00	170,993,620.00
Subscribed and Paid up Capital		
{16925554 Eq. shares (16925554) of 10/- each fully paid up}	169,255,540.00	169,255,540.00
Of the above Shares		
(a) 2188681 Equity Shares issued as Bonus Shares without consideration in cash & and by capitalizing the profits		
(b) 8826192 Equity Shares of Rs. 10/ each issued at a premium of Rs 20/- each fully paid up		
Share Allotment Money Forfeiture (173808 Equity Shares @ Rs. 5/- each forfeited)	869,040.00	869,040.00
	170,124,580.00	170,124,580.00
SCHEDULE - 2		
RESERVES & SURPLUS		
(A) Capital Reserves		
Opening Balance	46,810,780.00	46,925,980.00
Written Back during the year	-	115,200.00
	46,810,780.00	46,810,780.00
(B) Share Premium Account		
Opening Balance	145,989,166.04	145,989,166.04
	145,989,166.04	145,989,166.04
(C) General Reserve		
Opening Balance	2,831,451.00	-
Addition during the year	4,224,084.00	2,831,451.00
	7,055,535.00	2,831,451.00
(D) Profit & Loss Account		
Opening Balance	289,366,396.40	245,469,848.61
Addition during the year	70,356,572.03	43,896,547.79
	359,722,968.43	289,366,396.40
Total (A)+(B)+(C)+(D)	559,578,449.47	484,997,793.44

(Amount in Rs.)

Schedules annexed to & forming part of Balance Sheet & Profit & Loss Account	As at 31 March, 2011	As at 31 March, 2010
SCHEDULE - 3		
SECURED LOANS		
<i>Loans & Advances from Banks</i>		
1 Term Loan	718,736,091.00	519,811,411.00
2 WCFC	330,380,759.00	450,600,770.00
3 Working Capital Limits	470,847,657.96	144,912,998.55
(The above loans are secured with Indian Overseas Bank, State Bank of India and Corporation Bank against the following Securities:		
Primary-Hypothecation of present and future stocks, and book debts, Plant & Machinery, Land & Building.		
Collateral : Equitable Mortgage of factory Land & Building of Plot 4&5, Sec-7, Manesar (Gurgaon), VPO -Kawnra Faridabad, 8th KM Stone, Kashipur, Utrakhand & Personal Guarantees of Sh. Sushil Gupta (CMD), Sh Sandeep Gupta (JTMD), Sh. Manish Gupta (WTD)		
	<u>1,519,964,507.96</u>	<u>1,115,325,179.55</u>
 SCHEDULE - 4		
UNSECURED LOANS		
Loans from Associate/Group Companies		
Richa Building Systems Ltd	115,450,000.00	112,900,000.00
Richa Holdings Limited	96,250,000.00	-
	<u>211,700,000.00</u>	<u>112,900,000.00</u>
 SCHEDULE - 6		
INVESTMENT- Long Term		
Unquoted, at Cost Price - Long Term		
72000 Equity Shares (72000) of Richa Infrastructure Ltd-fully paid up (PY 72000 Equity Shares fully paid up)		
(Face Value Rs 10/- each, at a premium of Rs 90/- each)		
	7,200,000.00	7,200,000.00
	<u>7,200,000.00</u>	<u>7,200,000.00</u>
Note : Aggregate cost of :		
Quoted Investments		
Un-Quoted Investments	7,200,000.00	7,200,000.00

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**SCHEDULE - 5
FIXED ASSETS**

Sr.No	Particulars	Cost as on		Additions		Substraction		Total Cost as on 31.03.11	Dep. Upto 31.03.2010	Depreciation during 2010-11	Depreciation W/Back	Total Dep. up to 31.03.11	W.D. V. as on 31.03.2011	W.D. V. as on 31.03.2010
		01.04.10	31.03.11	Purchase	Transfer	Sale	Transfer							
1	Land	1653240104	16882940104	35000000	-	-	-	16882940104	-	-	-	-	16882940104	16532940104
2	Building	24837342507	36551724415	11714381908	-	-	-	36551724415	1602472004	885896660	-	2488368664	34068355751	23234870503
3	Plant & Machinery	76751980183	105449154421	28805618238	1137144044	106444000	1137144044	105449154421	9964674229	4075480626	50293600	13989861255	91459293166	66833006436
4	Vehicles	974968896	1271698196	331729500	-	350000000	-	1271698196	295318255	114814406	-	410132661	861565535	679650641
5	Office Equipment	1520161957	1649005260	128843303	1770000	-	1770000	1649005260	147232723	75257534	-	22490257	1426515003	1325228752
6	Furniture & Fixture	1090799035	1092439035	1640000	9690000	-	9690000	1092439035	172353504	69099627	-	241453131	850985904	918445531
7	Computer/CC TV	1874236708	2058060708	183824000	123500000	-	123500000	2058060708	540958326	277591940	831182	817719084	1240341624	1333278382
8	Fax/EPABX/Telephone	67714187	68973987	1259800	20000000	-	20000000	68973987	12841165	3255456	-	16096621	52877366	54873022
	Total	123650143577	165023996126	41515296549	11397254044	141444000	11397254044	165023996126	12735850206	5501396249	51124782	18186121673	146837874453	110914293371
	Previous Year	93604213980	123650143577	38021910801	5609121800	7975981204	5609121800	123650143577	9300006967	4783132540	1347289301	12735850206	110914293371	

(Amount in Rs.)

Schedules annexed to & forming part of Balance Sheet & Profit & Loss Account	As at 31 March, 2011	As at 31 March, 2010
CURRENT ASSETS, LOANS & ADVANCES		
SCHEDULE - 7		
INVENTORIES		
(Cost or net realizable value whichever is lower Verified Physically as to quantity & value by Management)		
Raw Materials	812,298,084.70	539,421,925.67
Consumables	6,622,724.66	5,349,603.65
Finished Goods	42,295,701.64	36,796,257.51
Work in Progress	130,941,630.11	38,994,847.60
	<u>992,158,141.11</u>	<u>620,562,634.43</u>
SCHEDULE - 8		
SUNDRY DEBTORS		
(Considered good)		
Debts outstanding for a period exceeding six months	6,928,435.48	5,235,558.14
Other debts - Fully secured	54,512,122.98	7,672,746.00
Other debts - Unsecured	310,460,463.57	412,192,540.78
	<u>371,901,022.03</u>	<u>425,100,844.92</u>
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash in Hand	6,238,880.27	4,165,769.27
Balance with Scheduled Banks		
(i) in Current Accounts	9,349,421.84	9,817,226.85
(ii) in Fixed Deposit Accounts	25,447,751.31	20,306,519.00
(Kept as Margin for Bank Guarantees and Letter of Credits)		
(iii) HDFC Bank Ltd.-Unpaid Dividend FY 2009-10	44,257.00	
	<u>41,080,310.42</u>	<u>34,289,515.12</u>
SCHEDULE - 10		
LOANS & ADVANCES - Unsecured and Considered Goods		
(Recoverable in cash or in kind for the value received)		
Loan to Employees	2,388,000.00	1,039,937.00
TUFS (Interest) Subsidy Receivable	12,577,361.00	8,759,572.00
Security Deposits	5,237,391.00	4,591,341.00
Advances to Suppliers	30,268,799.59	2,450,068.20
Insurance Claim Receivable	773,396.35	2,059,214.43
Prepaid Expenses	1,798,341.00	2,086,945.00
Balance in CENVAT/Service Tax Account	5,847,650.26	5,236,627.82
Duty Drawback/DEPB Receivable	739,401.00	637,067.00
EMD with AEPC	-	460,461.00
I Tax /FBT Refundable AY 2008-09	47,285.00	47,285.00
I Tax /FBT Refundable AY 2009-10	46,440.00	46,440.00
I Tax Refundable AY 2010-11	110.00	-
TDS/Provision of TDS AY 2010-11	7,290,505.19	7,721,875.60
	<u>67,014,680.39</u>	<u>35,136,834.05</u>

(Amount in Rs.)

Schedules annexed to & forming part of Balance Sheet & Profit & Loss Account	As at 31 March, 2011	As at 31 March, 2010
SCHEDULE - 11		
CURRENT LIABILITIES		
(1) Acceptances		
1 Bills payable Accepted under LC	20,262,625.00	30,766,840.00
(2) Sundry Creditors		
(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		
Creditors for Trade	163,739,963.12	197,107,470.78
Creditors for Capital Goods	1,393,894.56	9,504,009.00
Creditors for Expenses	112,365,271.76	9,754,737.45
Advances Payments for which value has still to be given	61,317,805.70	10,752,319.90
Unpaid Finance Dividend FY 2009-10	44,257.00	-
Sales Tax Payable	5,733,336.72	2,075,396.12
TDS Payable	631,083.00	322,661.00
Expenses Payable	2,696,355.00	1,434,962.00
Security Refundable	2,626,592.00	204,958.00
Rent Equilization Reserve	216,300.00	
	371,027,483.86	261,923,354.25
SCHEDULE - 12		
PROVISIONS		
Provision for Income Tax AY 2011-12	24,800,000.00	13,000,000.00
Proposed Final Dividend FY 2010-11	8,462,777.00	8,462,777.00
Tax on Proposed Final Dividend FY 2010-11	1,438,250.00	1,438,250.00
Payable Provident Fund	628,091.00	461,317.00
For Insurance, Pension and similar staff benefits	16,030,899.00	9,696,941.00
	51,360,017.00	33,059,285.00
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE		
<i>Pre-operative Expenses</i>		
Opening Balance	300,000.00	570,100.00
Add : Addition during the year	-	-
Less : Written Off during the year	100,000.00	270,100.00
CLOSING BALANCE	200,000.00	300,000.00
SCHEDULE - 14		
GROSS SALES		
Sales	1,875,830,876.27	1,418,472,712.98
Jobwork / Erection	383,826,737.38	327,003,009.96
Exports	26,154,083.52	162,501.12
	2,285,811,697.17	1,745,638,224.06
SCHEDULE - 15		
OTHER INCOME		
Interest received on FDR (TDS deducted)	1,158,868.31	746,306.00
Interest received others	260,222.00	6,801,315.76
Duty Drawback Received	179,816.00	-
Bad Debts Recoveries Account	1,610,000.00	5,284.00
Unclaimed balances W/off & Short & Excess	2,115.55	310,329.21
Miscellaneous Receipts	21,979.00	17,860.94
	3,233,000.86	7,881,095.91

Schedules annexed to & forming part of Balance Sheet & Profit & Loss Account	Opening as on 1 April, 10	Purchases	Material used in Home Consumption	Consumption during the year	Closing as on 31 March, 11
SCHEDULE - 16					
RAW MATERIAL CONSUMED					
Financial Year 2010 -2011					
TEXTILE UNIT					
—Dyes and Chemicals	10744332.46	140997407.66		132,525,169.11	19216571.01
—Fabrics	401001740.31	1241102382.82		1,017,715,005.16	624389117.97
—Yarn	12129276.48	342852760.95		332,422,045.11	22559992.32
—Fuel	1984771.28	54855649.43		54,605,260.55	2235160.16
—Packing Material	401233.74	6179565.76		6,304,937.20	275862.30
TEXTILE UNIT-TOTAL	426261354.27	1785987766.62	0.00	1543572417.13	668676703.76
PEB UNIT					
—HR Plates	56818693.09	140,505,134.03	6,43,28,630.06	71,004,499.61	61,990,697.45
—Structures	2386325.84	11,540,004.49		10,105,456.49	3,820,873.84
—Coils	51213316.69	181,181,605.26		160,435,519.81	71,959,402.14
—Accessories	2739172.13	21,253,234.27	-	18,141,998.89	5,850,407.51
—Loading/Unloading/Cartage etc	0.00	269,776.25		269,776.25	-
PEB-TOTAL	113157507.75	354749754.30	64328630.06	259957251.05	143621380.94
GROSS TOTAL	539418862.02	2140737520.92	64328630.06	1803529668.18	812298084.70
Financial Year 2009 -2010					
TEXTILE UNIT					
—Dyes and Chemicals	7916437.51	116083195.97		11,32,55,301.02	10744332.46
—Fabrics	402775075.64	985698746.36		98,74,72,081.69	401001740.31
—Yarn	35967668.52	89425091.00		11,32,63,483.04	12129276.48
—Fuel	2387069.46	35182581.50		3,55,84,879.68	1984771.28
—Packing Material	370760.41	4299373.04		42,68,899.71	401233.74
—Accessories	416556.77	0.00	33375.00	3,83,181.77	0.00
TEXTILE UNIT-TOTAL	449833568.31	1230688987.87	33375.00	1254227826.91	426261354.27
PEB UNIT					
—HR Plates	0.00	118754648.47		6,19,35,955.38	56818693.09
—Structures	0.00	7226914.10		48,40,588.26	2386325.84
—Coils	0.00	102990827.09		5,17,77,510.40	51213316.69
—Accessories	0.00	7037443.90	13624.00	42,81,584.12	2739172.13
—Loading/Unloading/Cartage etc	0.00	354344.70		3,54,344.70	0.00
PEB-TOTAL	0.00	236364178.26	13624.00	123189982.86	113157507.75
GROSS TOTAL	449833568.31	1467053166.13	46999.00	1377417809.77	539418862.02

(Amount in Rs.)

Schedules annexed to & forming part of Balance Sheet & Profit & Loss Account	Year ended 31 March, 2011	Year ended 31 March, 2010
SCHEDULE - 17		
MANUFACTURING EXPENSES		
Outside Job Work / Erection Charges	31,671,948.50	10,003,879.50
Power & Electricity	41,915,004.83	34,260,186.80
Water & Sewerage Charges	457,238.00	319,787.00
Consumable Stores	23,096,372.64	8,734,174.00
Genset Hiring charges	40,596.00	460,876.50
Repairs - Plant & Machinery	<u>10,725,192.71</u>	<u>13,148,055.37</u>
	<u>107,906,352.68</u>	<u>66,926,959.17</u>
SCHEDULE - 18		
PAYMENT TO AND PROVISIONS FOR EMPLOYEES		
Salary, Wages & Bonus	78,178,330.00	46,553,748.17
Directors' Remuneration	2,798,709.00	2,295,000.00
Workman & Staff Welfare Expenses	1,825,093.00	1,259,961.00
Contribution to Provident & Other Funds	5,200,668.00	2,471,926.00
Gratuity & Leave Encashment-Provision	<u>2,057,880.00</u>	<u>651,171.00</u>
	<u>90,060,680.00</u>	<u>53,231,806.17</u>
SCHEDULE - 19		
ADMINISTRATIVE AND OTHER EXPENSES		
Auditors Remuneration & Out of Pocket Expenses	332,466.00	303,278.00
Books & Periodicals	25,191.00	53,350.00
Charity & Donation	28,650.00	3,600.00
Cleaning & Sanitation	-	135,121.00
Commission/Sitting fee to Non WTD	59,793.00	22,500.00
Directors' Travelling & Conveyance	596,560.00	185,316.00
Diwali Expenses	338,020.00	1,155,793.00
General Expenses	408,452.00	110,006.00
Insurance Others	2,418,489.00	2,037,424.00
Insurance on Cars	55,398.00	44,185.00
Legal & Professional Charges	2,113,966.00	3,787,557.00
Loss on sale of fixed assets	483,193.00	39,523,681.03
AGM & Meeting Expenses	57,913.00	51,563.00
Postage Expenses	364,280.63	353,337.57
Pre-operative Expenses W/off	100,000.00	270,100.00
Printing & Stationery Expenses	1,698,175.47	1,200,988.60
Rates & Taxes	1,895,740.82	676,994.00
Rent Paid	3,825,779.00	900,587.00
Forex gain/loss	558,188.21	-
Repairs & Maintenance - Building	1,076,150.24	726,574.00
Repairs & Maintenance - Computer/Others	866,064.75	827,053.06
Repairs & Maintenance - Electricals	875,840.21	388,416.60
Repairs & Maintenance - Vehicle Commercial	3,374,959.20	2,237,109.00
Repairs & Maintenance - Vehicle-Others	1,105,484.78	611,595.00
Watch/Ward/Security Expenses	1,932,933.00	1,623,108.00
Subscription Fee	122,121.00	228,288.00
Telephone, Modem & Internet Expenses	1,079,099.31	535,340.95
Testing Charges	35,280.00	124,285.67
Travelling & Conveyance Expenses	3,481,739.44	1,150,744.00
Office Maintenance Expenses	<u>1,286,083.99</u>	<u>645,581.50</u>
	<u>30,596,011.05</u>	<u>59,913,476.98</u>

(Amount in Rs.)

Schedules annexed to & forming part of Balance Sheet & Profit & Loss Account	Year ended 31 March, 2011	Year ended 31 March, 2010
SCHEDULE - 20		
SELLING & DISTRIBUTION EXPENSES		
Sales Promotion Expenses	385,043.00	1,050,494.00
Distribution Expenses/Export Sales Clearance Expenses	9,693,053.30	1,499,873.04
Advertisement / Tender fee & Exhibition Expenses	821,737.00	380,370.14
Bad Debts Written Off	1,430,344.23	8,609,750.37
	<u>12,330,177.53</u>	<u>11,540,487.55</u>
SCHEDULE - 21		
FINANCIAL EXPENSES		
Interest on Bank Loans	124,247,867.44	87,170,314.01
Interest on Other Accounts	566,101.00	1,274,043.19
Bank Charges	37,382,971.28	6,969,176.74
	<u>162,196,939.72</u>	<u>95,413,533.94</u>
SCHEDULE - 22		
INCREASE/(DECREASE) IN WIP/FINISHED GOODS		
<i>Closing Stocks</i>		
Consumable Store	6,622,724.66	5,349,603.65
Finished Goods	42,295,701.64	36,796,257.51
Work in Process	130,941,630.11	38,994,847.60
	<u>179,860,056.41</u>	<u>81,140,708.76</u>
<i>Opening Stocks</i>		
Consumable Stores	5,349,603.65	1,912,502.11
Finished Goods	36,796,257.51	10,985,297.68
Work in Process	38,994,847.60	34,996,031.17
	<u>81,140,708.76</u>	<u>47,893,830.96</u>
INCREASE/(DECREASE) IN WIP/FINISHED GOODS	<u>98,719,347.65</u>	<u>33,246,877.80</u>

SCHEDULE 23

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on accrual basis. GAAP Comprises Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied, unless otherwise stated, on going concern basis.

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

2. 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 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.

3. Fixed Assets and Capital Work in Progress

Fixed Assets are stated at cost net of CENVAT/Value Added Tax 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. Capital work in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

4. Depreciation

Depreciation on fixed assets is applied 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.

5. 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) 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 asset.

6. 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.

7. 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.

8. Turnover

Turnover includes sale of goods, services, adjusted for discounts, net of returns, sales Tax, Service Tax and Excise Duty. 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.

9. Employees' Retirement Benefits

The Company is making regular contribution to PF and other statutory funds and their contribution is charged to P&L A/c. Provision has been made in accounts with respect of liability for future gratuities only for eligible employees and leave encasement payable to the employees of the company as per the provisions of Payment of Gratuity Act, 1972, for the time being in force.

10 Revenue Recognition

Revenue is recognized only when it can be reliably measured and 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.

11 Deferred revenue Expenditure

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

12 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 substantively enacted as on the balance sheet date. The deferred tax 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.

The major components of deferred tax assets / liabilities arising on account of timing differences as at 31st March 2011 are as follows:

	AS AT 31st March (Rs in Lac)	
	2011	2010
Deferred Tax Liabilities		
Timing differences	776.98	612.00

13. 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 31.03.2011 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.

14. 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 material consumption of consuming units. The year end stock of such transferred goods is valued at cost.

15. Sundry Debtors

Sundry debtors are stated after writing off- bad debts.

16. 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.

17. 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 funds related to them up to the date of commercial production.

18. 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.

19. Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit & Loss Account to the extent the carrying amount exceeds recoverable amount. The Impairment loss recognized in the prior period is reversed if there has been a change in the estimate of Recoverable amount.

20. Leases

Lease 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.

(B) NOTES ON ACCOUNTS

- 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
- The disclosures required under Accounting Standards 15 "Employee Benefits" notified in the Companies (Accounting Standard) Rules 2006, are given below:

Defined Contribution Plan

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

	2010-11	2009-10
Employer's Contribution to Provident Fund	19.17	8.76
Employer's Contribution to Pension Fund	23.42	10.70

Defined Benefit Plan

The provision for gratuity is made as per the Payment of Gratuity Act, 1972. The obligation for leave encashment is recognized on the basis of amounts due for leaves outstanding to the credit of the employees at end of the year.

3. Payment to Auditors:

	(Rs. in lacs)	
(Exclusive of Service Tax / Education Cess)	2010-11	2009-10
(i) Audit Fees	2.60	2.60
(ii) Tax Audit Fees	0.40	0.40
(iii) Out of Pocket Expenses	0.03	0.03
	<u>3.03</u>	<u>3.03</u>

4. Managerial Remuneration (Remuneration paid or payable to Managing Director / Executive Directors)

(a) Functional Directors **(Rs in Lacs)**

Particulars	2010-11	2009-10
(i) Salaries and Allowances	27.99	25.20
(ii) Contribution to Provident Fund	0.68	0.20
(iii) Provision for Gratuity	6.16	5.82
(iv) Provision for Leave Encashment	6.50	3.66
TOTAL	<u>41.26</u>	<u>34.88</u>

No. of Directors	3	3
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(b) Independent Directors

Sitting Fee	0.30	0.23
No. of Directors	3	3

(b) Commission to Non-Executive Directors

(included under the head "Directors Remuneration")

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

	2010-11	2009-10
Profit Before Taxation	1261.30	744.91
Add : Depreciation as per accounts	550.14	478.31
Managerial Remuneration	27.99	25.20
Loss on Sale of Fixed Assets	04.83	395.23
Less: Depreciation as per Section 350 of the Act	550.14	478.31
Profit/(Loss) on Sale of Fixed Assets	0.00	0.00
Net Profit for the year	<u>1294.12</u>	<u>1165.34</u>
Eligibility (10% of the Net Profit)	129.41	116.53
Paid or payable for the year	27.99	22.95

5. Earnings Per Share (EPS)
(Rs in Lacs)

	2010-11	2009-10
(i) Net Profit after tax as per P&L Account	844.81	566.29
(ii) Net Profit attributable to shareholders	844.81	566.29
(iii) Weighted Average number of Equity Shares used as denominator for calculating EPS (Nos)	169.26	169.26
(iv) Basic and Diluted Earning Per Share (Rs.)	4.99	3.34
(v) Face Value per Equity Share (Rs)	10.00	10.00

6. 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 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, Director
 3. Sh. Sandeep Gupta, JT. MD

- b) Enterprise over which Key Managerial Personnel (KMP) or their Relatives have significant influence
1. Richa Building Systems Limited
 2. Richa Holdings Ltd.
- c) Relatives of Key Management Personnel
1. NIL

Transactions with Related Parties**(Rs. in Lacs)**

Particulars	Subsidiary Companies	Associates	Key Managerial Personnel	Relatives Key Managerial Personnel	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration			41.26			41.26
Unsecured Loans Received					1660.50	1660.50
Unsecured Loans Re Paid					672.50	672.50
Sale/Jobwork	-	-	-	-	-	-
Purchase/Jobwork	-	-	-	-	-	-
Outstanding						
Receivables	-	-	-	-	-	-
Payable (Gross)	-	-	-	-	2132.73	2132.73

7. 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 incorporate the product group namely : Pre Fabricated Steel Building in CKD Condition, Tubular 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	(Rs. in Lacs)	
	2010-11	2009-10
i. Sales to Overseas Market	261.54	1.63
ii. Sales to Domestic Market	22596.58	7454.75

Segment Reporting Chart

(Rs. in Lacs)

Particulars	Year Ended	
	31st March, 2011	31st March, 2010
1. Segment Revenue		
(a) Textile	18927.36	15887.94
(b) PEB	4574.05	1568.45
Total	23501.41	17456.39
Less : Inter Segment Revenue	643.29	-
Sales/Income From Operations	22858.12	17456.39
2. Segment Results Profit/Loss before tax and Interest from Each segment		
(a) Textile	2123.25	1505.29
(b) PEB	760.02	193.75
Total	2883.27	1699.04
Less : Inter Segment Revenue	-	-
(i) Interest	1621.97	954.13
(ii) Other Un-allocable Expenditure net off Un-allocable income	-	-
(iii) Exceptional Items	-	-
Total Profit Before Tax	1261.30	744.91
Total Capital Employed	25316.66	19678.14

8. Additional Information

- (i) Particulars of Capacity, Production, Turnover, Consumption

Particulars	2010-11	2009-10
(a) Licensed Capacity(As per IEM)(at the close of Year)		
FOR TEXTILE DIVISION		
Knitting (M.T.)	3,058	3,058
Processing of Fabrics (M.T.)	13,200	13,200
Garments ('000 Pcs)	3,900	3,900
FOR PEB DIVISION		
Manufacturer of Pre Engineering Building of Metals Products	54000 Tons p.a.	54000 Tons p.a.
(b) Installed Capacity		
FOR TEXTILE DIVISION		
- Knitting	3058 Tons*	2500 Tons pa*
- Processing of Fabrics	13200 Tons pa*	13200 Tons pa*
- Garments (Equivalent to Polo T-Shirts)	NIL	NIL
FOR PEB DIVISION		
Manufacturer of Pre Engineering Building of Metals Products	9,000 Tons p.a.#	9000 Tons p.a.#

(ii) Production

FOR TEXTILE DIVISION

- Knitting	2389 Tons*	2237 Ton*
- Processing of Fabrics	13097 Tons*	12196 Ton*
- Garments Pcs.		

FOR PEB DIVISION

Manufacturer of Pre Engineering Building of Metals Products	4774 Tons#	3427 Tons#
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*Capacities are calculated on the basis of weighted average, on the basis of basic fabrics & knitting. In Knitting capacity is calculated on prorata/weighted average basis for the machines installed during the year at different points of time.

#Capacities are calculated on the basis of prorata/weighted average, for the machines used during the year at different points of time.

(iii) Sales in respect of each class of goods with quantity

Particulars	Unit	2010-11		2009-10	
		Qty	Value (Rs Lac)	Qty	Value(Rs Lac)
Fabric Sales	Ton	6389.30	15411.58	7183.58	12609.94
Garments(Eqvl to Polo T-Shirts)	'000Pcs	0.00	0.00	27.58	4.25
Jobwork	Ton	5697.92	3513.38	5553.32	3270.03
Yarn	Ton	7.33	2.40	13.50	3.71
Total Textile (A)	-	-	18927.35	-	15887.93
Pre fabricated Building	Ton	4364.59	3571.15	3223.78	1548.11
Scrap Sales	Ton	170.87	34.73	31.77	5.23
Erection Charges			324.88	-	15.11
Total PEB (B)			3930.76	-	1568.44
Gross Total (A+B)			22858.11		17456.37

(iv) The value of raw material consumed item wise break up indicating the quantity

Particulars	Unit	2010-11		2009-10	
		Qty	Value (Rs. in Lacs)	Qty	Value (Rs. in Lacs)
Dyes & Chemicals	Ton	6207.79	1325.25	5001.08	1132.55
Fabric	Ton	6660.47	10177.15	6303.56	9874.72
Yarn	Ton	1072.31	3324.22	1055.26	1132.63
Fuel-Diesel	'000Ltr	387.83	133.24	503.24	144.84
Fuel-Coal	Ton	6401.47	412.82	5522.64	211.01
Packing Material	-	53.95	63.04	44.62	42.69
Accessories	-	-	-	-	3.83
Total Textile (A)			15435.72		12542.27
HR Plates	Ton	3616.85	811.08	2194.32	667.76
Coils	Ton	3136.28	1604.35	1335.38	517.78
Accessories	-	-	181.41	-	42.82
Loading/Unloading	-	-	2.69	-	3.54
Total PEB (B)			2599.57		1231.90
Gross Total (A+B)			18035.29		13774.17

(v) Inventories in respect of each class of raw material with quantity

Particulars	Unit	2010-11		2009-10	
		Qty	Value (Rs in Lacs)	Qty	Value (Rs in Lacs)
Dyes & Chemicals	Ton	242.37	192.17	213.57	107.44
abric	Ton	4086.31	6243.89	2500.33	4010.02
Yarn	Ton	92.52	255.60	76.10	121.29
Fuel (Diesel)	'000Ltr	34.70	11.61	26.94	8.51
Fuel (Coal)	Ton	133.79	10.74	170.80	11.34
Packing Material	-	2.83	2.75	4.15	4.01
Accessories	-	-	-	-	-
Total Textile (A)			6686.76		4262.61
H.R. Plates	Ton	1481.91	658.12	1457.85	592.05
Coils	Ton	1287.42	719.59	1083.77	512.13
Accessories	-	-	58.51	-	27.42
Total PEB (B)			1436.22		1131.60
Gross Total (A+B)			8122.98		5394.21

	(Rs. in Lacs)	
	2010-11	2009-10
9. Number of Employees in receipt of or entitled to receive payment (including perks of Rs. 500000/- pm/Rs. 60 Lac p.a. or more during the year)	NIL	NIL
10 Contingent Liabilities not provided in respect of:		
(i) Claims against the company not acknowledged as debts*.	1757.91	NIL
(ii) Uncalled liability on shares partly paid.	NIL	NIL
(iii) Arrears of fixed cumulative dividends.	NIL	NIL
(iv) Estimated amount of contracts remaining to be executed on capital account and not provided for	766.75	404.97
(v) Other money for which the company is contingently liable.	NIL	NIL
(vi) Custom duty liability which may arise if obligation for exports not fulfilled against import of raw material & machinery	425.57	481.82
(vii) Bank Guarantees issued by Bank	4.95	23.60
(viii) Outstanding Letter of Credit	202.63	307.67
*Derivative losses crystalized in the year 2010-11, for which the company has derived its liability but the ICICI Bank has filed recovery suit before DRT-III-Mumbai.		
11 Commission paid to selling agents (Not sole selling agents)	NIL	NIL
12 The current assets, loans and advances are stated at the value, which in the opinion of the management is not less than the amount of realization of such assets, loans and advances in the ordinary course of business and provision for all known liabilities have been made		
13 Sundry Debtors and Sundry Creditors are reconciled by the company. However this is subject to our direct conformation from the parties.		

14 Financial and Derivative Instruments

- (a) No Derivative Contracts are out standing as on 31.03.2011 (Previous Year Nominal Value of Derivative Contracts (Currency Swaps) entered into by the Company and outstanding as on 31st March 2010 amount to Rs 3958.60 Lac maturing on 17-09-2011).
- (b) Foreign Currency exposures that are not hedged by derivative instruments or forward contracts as at 31st March 2011 amount to Rs. NIL (Previous year NIL)

15. Value of Imports on CIF basis in respect of

	2010-11	(Rs in Lacs) 2009-10
Raw Material including Accessories	86.22	53.55
Stores and Spares	2.74	12.36
Capital Goods	366.80	251.36

16. Expenditure in Foreign Currency

	2010-11	(Rs in Lacs) 2009-10
On Foreign Travelling	2.62	NIL
GDR Issue Expenses	NIL	1.76

17. Value of Raw Material Consumed including Accessories

	2010-11		2009-10	
	Rs. in Lacs	% of Consumption	Rs. in Lacs	% of Consumption
Imported	86.21	0.48%	53.55	0.39%
Indigenous	17949.08	99.52%	13720.62	99.61%
	<u>18035.29</u>	<u>100%</u>	<u>13774.17</u>	<u>100%</u>

18. Value of Stores, Spares (shown under Repair & Maintenance)

	2010-11		2009-10	
	Rs. in Lacs	% of Consumption	Rs. in Lacs	% of Consumption
Imported	2.74	0.81%	12.36	5.65%
Indigenous	335.44	99.19%	206.46	94.35%
	<u>338.18</u>	<u>100%</u>	<u>218.82</u>	<u>100%</u>

19. Earnings in Foreign Exchange

	2010-11	(Rs in Lacs) 2009-10
(i) Value of Exports	261.54	1.63
(ii) Royalties, Know-how, Professional & Consultation Fees	NIL	NIL
(iii) Interest and Dividends	NIL	NIL
(iv) Other Income, indicate the nature thereof	NIL	NIL

20. Remittance in Foreign Currency on Account of Dividend

The Board of Directors of Company has recommended payment of a final dividend of 5 % (Rs. 0.50 per share) for the year ended 31st March 2011. During the financial year 2010-11, final dividend of 5 % (Rs. 0.50 per share) for the year ended 31.03.2011 was declared & disclosed. No foreign remittance has been made on account of dividend.

21. Detail of Investments as on 31-03-2011

Name of company	No. of Shares	Quoted/Unquoted	Amount (Rs)	
			2010-11	2009-10
1. Richa Infrastructure Ltd* (Equity Shares of Rs 10/- each fully paid up at a premium of Rs 90/- each)	72000	Un-Quoted	7,200,000	7,200,000

* The Company holds 33% Equity Shares in Richa Infrastructure Limited.

22. Operating Leases:

The company has taken various premises under cancelable operating lease. These lease agreements are normally renewed on expiry of their terms.

Lease rental expenses for 2010-11 in respect of above operating leases are Rs. 3825779/- (previous year Rs. 900587/-)

(ix) Value of assets taken on lease, future obligations

Lease Rentals Payable

0 to 12 Month	-	Rs. 3898089.00
12 to 60 Months	-	Rs. 3342695.00
60 to above	-	NIL

23. Insurance Claims:

During the year, the company accounted Rs. NIL (Previous year Rs. 17,23,459.43/-) as claims receivable from insurance company towards the expenditure incurred (in excess of deductibles) on damage repairs upto 31st March 2011 to a Company's assets

24. Machinery worth Rs. 651.11 Lac is not used during the year under consideration, as the same had become obsolete during the Finance Year 2009-10, for which Chartered Engineer Certificate had also been obtained.

As per our report of even date attached

for **Tayal & Co.**
Chartered Accountants
(FRN 001845N)

*For and on the behalf of the Board of
Directors of Richa Industries Limited*

(CA R A Gupta)
Partner
Membership No. 080997

CA Pran Nath Singh
Manager - F&A

Sandeep Gupta
Jt Managing
Director

Sushil Gupta
Chairman &
Managing Director

Place :- Faridabad
Date :- 30.05.2011

CS Monika Jain
Company Secretary

RICHA INDUSTRIES LIMITED**PROFILE AS PER SCHEDULE VI, PART-IV OF THE COMPANIES ACT, 1956****I REGISTRATION DETAILS**

Registration No. **L17115HR1993PLC032108**
 State Code **05**

II CAPITAL RAISED DURING THE YEAR	AS ON 31-MAR-11	AS ON 31-MAR-10
Public Issue	NIL	NIL
Right Issue	NIL	NIL
Bonus Issue	NIL	NIL
Private Placement	NIL	NIL

III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS

Total Liabilities	2539065	1975315
Total Assets	2539065	1975315

SOURCES OF FUNDS

Paid up Capital	170125	170125
Reserves & Surplus	637276	546198
Secured Loans	1519965	1146092
Unsecured Loans	211700	112900

APPLICATION OF FUNDS

Net Fixed Assets	1481899	1116941
Investments	7200	7200
Net Current Assets	1049767	850874
Misc Expenditure	200	300
Accumulated Losses	0	0

IV PERFORMANCE OF THE COMPANY

Turnover including other Income	2289045	1753519
Total Expenditure	2162915	1679028
Profit / Loss Before Tax	126130	74491
Earning Per Shares (Rs)-Weighted	7.45	4.40
Dividend Rate (%)	5.00	5.00

V GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

Item Code No. (ITC Code)	2353
Product Description	KNITTING & PROCESSING OF FABRICS
Item Code No. (ITC Code)	2352
Product Description	COTTON SPINNING & WEAVING IN MILLS
Item Code No. (ITC Code)	2650
Product Description	MANUFACTURE OF ALL TYPE OF TEXTILE GARMENT AND CLOTHING ACCESSORIES
Item Code No. (ITC Code)	2365
Product Description	BLEACHING, DYEING AND PRINTING OF CLOTH OTHER THAN BY HAND
Item Code No. (ITC Code)	3400
Product Description	MANUFACTURE OF FABRICATED STRUCTURAL METAL PRODUCTS
Item Code No. (ITC Code)	3402
Product Description	MANUFACTURE OF FABRICATED STRUCTURAL PRODUCTS OF IRON OR STEEL
Item Code No. (ITC Code)	3410
Product Description	PRE FABRICATED ENGINEERED BUILDINGS OF STEEL METAL AND ALLOYS

for Tayal & Co
 Chartered Accountants
 FRN 001845N

for and on behalf of the board of
 Directors of Richa Industries Limited

(R A Gupta)
 Partner
 M No. 080997

CA Pran Nath Singh
 Manager - F&A

Place :- Faridabad
 Date :- 30.05.2011

CS Monika Jain
 Company Secretary

Sandeep Gupta
 Jt Managing Director

Sushil Gupta
 Chairman &
 Managing Director

Cash Flow Statement for the Year Ended 31 March, 2011

(Amount in Rs.)			
		Year Ended 31 March, 11	Year Ended 31 March, 10
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		126,130,254.03	74,490,798.79
Adjustment for :			
Depreciation	55,013,962.49	47,831,325.40	
Rent	216,300.00	88,444,357.20	
Interest Paid	124,813,968.44	8,609,750.37	
Bad Debts Written Off	1,430,344.23	0.00	
Unrealised Foreign Exchange Loss/(Gain)	558,188.21	39,523,681.03	
Profit/(Loss) on sale of fixed assets	483,193.00	270,100.00	
Pre-operative Expenses written off/Added(Net)	100,000.00	182,615,956.37	184,679,214.00
Operating profit before working capital changes		308,746,210.40	259,170,012.79
Adjustment for :			
Trade and other receivables		18,902,183.70	(72,287,028.00)
Inventories		(371,595,506.68)	(122,835,235.16)
Trade Payable & Other Liabilities		106,845,792.46	81,217,831.51
Cash generated from Operations		62,898,679.88	145,265,581.14
Income Tax / FBT Paid		5,770,734.00	7,394,361.00
NET CASH FROM OPERATING ACTIVITIES		57,127,945.88	137,871,220.14
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(405,961,447.93)	(77,995,790.50)
Capital Work in Progress/Advances for Capital Goods		(13,520,034.80)	(7,797,623.00)
Sale of fixed assets		419,999.18	263,238.00
NET CASH FROM INVESTING ACTIVITIES		(419,061,483.55)	(85,530,175.50)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from Long Term Bank Borrowings		198,924,680.00	(40,863,850.00)
Proceeds/(Repayment) of Unsecured Loans		98,800,000.00	20,300,000.00
Proceeds from/(Repayment) of Short Term Borrowings		205,714,648.41	83,265,788.67
Dividend paid along with CDT		(9,901,027.00)	
Interest Paid		(124,813,968.44)	(88,444,357.20)
NET CASH FROM FINANCING ACTIVITIES		368,724,332.97	(25,742,418.53)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Opening Balance of Cash and Cash Equivalents		6,790,795.30	26,598,626.11
Closing Balance of Cash and Cash Equivalents		34,289,515.12	7,690,889.01
		41,080,310.42	34,289,515.12

Significant accounting policies & notes on accounts. (as per Schedule 23)
As per separate report of even date attached

For Tayal & Co
Chartered Accountants
FRN 001845N

for and on behalf of the board of
Directors of Richa Industries Limited

(R A Gupta)
Partner
M No. 080997

CA Pran Nath Singh
Manager - F&A

Place :- Faridabad
Date :- 30.05.2010

CS Monika Jain
Company Secretary

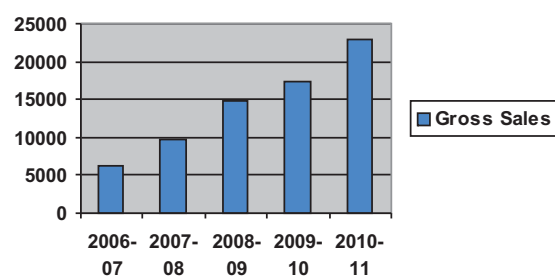
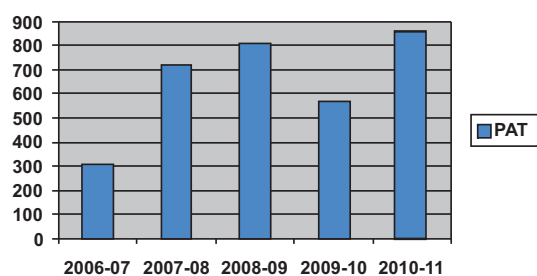
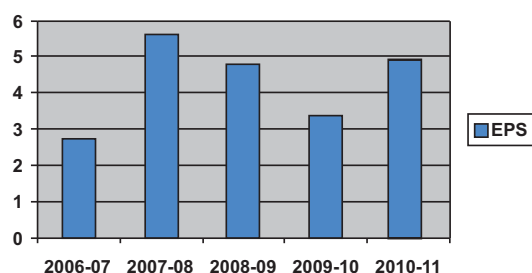
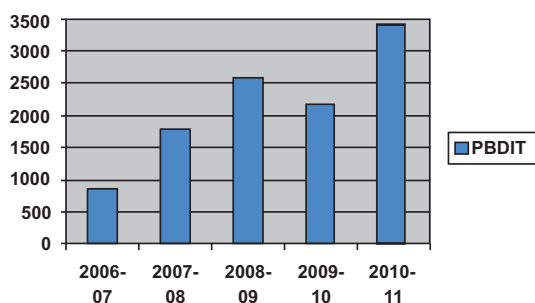
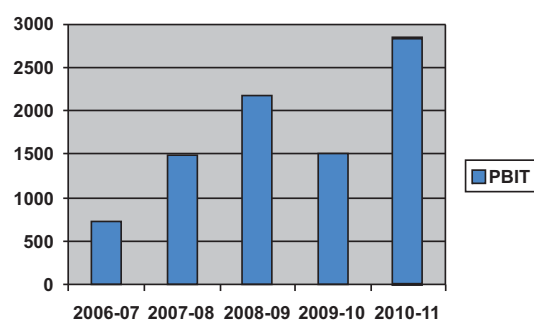
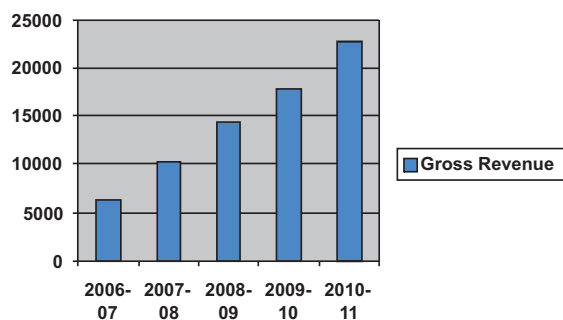
Sandeep Gupta
Jt Managing Director

Sushil Gupta
Chairman &
Managing Director

Performance Highlights

(Rs. in Lacs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Gross Revenue	6375.71	10307.91	14437.51	17867.66	23877.61
Gross Sales	6255.05	9755.80	14749.44	17456.38	22858.12
PBDIT	860.91	1781.39	2570.49	2177.36	3433.41
PBIT	731.80	1486.94	2177.56	1699.04	2883.27
PAT	306.62	723.07	808.90	566.29	844.82
EPS	2.75	5.60	4.78	3.35	4.99



RICHA INDUSTRIES LIMITED		Member's Feedback Form 2010-2011				
Name:e-mail id:.....						
Address:						
DP ID:						
Client ID:						
Folio No.: (in case of physical holding)						
No. of Equity Shares held :						
(the period for which held)						
		Excellent	Very Good	Good	Satisfactory	Unsatisfactory
Directors' Report and Management Discussion and Analysis	Contents					
	Presentation					
Report on Corporate Governance	Contents					
	Presentation					
Shareholders' Referencer	Contents					
	Presentation					
Quality of Financial and Non-Financial information on the Annual Report	Contents					
	Presentation					
Information on Company's Website	Contents					
	Presentation					

	Excellent	Very Good	Good	Satisfactory	Unsatisfactory
Investor Services					
Turnaround time for response to shareholder query					
Quality of response					
Timely receipt of Annual Report					
Conduct of Annual General Meeting					
Timely receipt of dividend warrants/ payment through ECS					
Promptness in confirming demat/ remat requests.					
Overall rating					
<p>Views/Suggestions for improvement, if any</p> <p>.....</p> <p>.....</p>					

“FORM 2B”

NOMINATION FORM

(To be filled in by the individual applying singly or jointly)
(if jointly only upto two persons)

I/We and the holders of equity shares against Folio No. Bearing Certificate number(s) from to and distinctive number from to of M/s Richa Industries Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and or amount payable in respect of the said shares shall vest in the event of my/our death.

**Name and address of Nominee
(Please write in Block Letters)**

Name																				
Father's/Husband's Name																				
Occupation																				
Address																				
Date of Birth																				

(“to be furnished in case the nominee is a minor)
** The Nominee is a minor whose guardian is :

Name																				
Address																				

(**To be deleted if not applicable)

Specimen Signature of Nominee/Guardian : _____

Signature :	Signature :
Name :	Name :
Address :	Address :
Date :	Date :

Signature of two witnesses

Name and Address	Signature with date
1.	
2.	

