



**RICHA
INDUSTRIES LIMITED**

www.richa.in

*Innovation
for Speed..*

**Textiles & Pre-Engineered
Building Solutions..**

19th Annual Report

2012 - 2013



Chairman's Speaks

"Take up one idea. Make that one idea your life - think of it, dream of it and live on that idea. Let the brain, muscles, nerves, every part of your body, be full of that idea, and just leave every other idea alone. This is the way to success, that is way great spiritual giants are produced"

By Swami Vivekananda

Dear Shareholders,

It gives me immense pleasure to reach you once again through this 19th Annual Report of your Company. Over the last few years volatility and uncertainty have become the new normal, with reducing GDP, high interest rates and persistent inflation. Following on from a positive 8.4% growth in last fiscal, the year 2012-13 has been a rather mixed year. In some areas your company have made excellent progress, notably in pre-engineered steel building division with an annual revenue growth rate of 9%, as compared to previous year and your company now has its reach in more than 120 cities in India. However, there have also been a number of challenges, particularly with dampening economic scenario and policy barriers.

Every day we ask ourselves how we can deliver greater value to our clients and shareholders and look for ways to help our clients take on a future of sustainable growth with timely delivery and economic solutions of our good quality products. You will be pleased to know, that your Company was recognised by industry, customers and media for excellence along many dimensions. Your company has received multiple awards during the year. Your Company has been ranked 208, in India's fastest Growing Mid-sized company as per Inc. India 500 in year 2012.

During this year, your company has earned total revenues of Rs. 269.65 crores, which is a small decrease from the previous year. This was on account of weak economic situation of the country and consolidation of our textile units, which is in line with company's long term strategic vision for growth. The efforts are likely to be seen during FY 13-14. Notwithstanding this difficult environment, your Company continues to invest in R&D, latest technologies, commitment to its human resource training programs and do significant CSR activities.



You will be pleased to know, your company has robust plans of growth for future. Your company has also moved to government projects of large scale with clients like DMRC, IOCL etc. We remain committed to our long term strategy and will continue to allocate capital towards our existing operations and new projects. Since past two years your company has been on the fore front of supplying more than 180 buildings. Currently, the company is working on more than 100 projects.

Some of the major clients include Crompton Greaves, SOMA, L & T, Essar Steel, Mahalakshmi TMT, India Bulls, Asian Color Coated Ispat Ltd, Wipro Ltd, Action Construction Equipment (ACE) Cranes, Walco Engineering, Asahi Glass Company Limited and many more in PEB, whereas brands like Adidas, Puma, Next and many more in Textile. At the core of our existence, we are one of the fastest growing building solutions company, where the strength of our products allows us to sculpt the future of building solutions across the globe.

With Rupee plunging to record level, this has proved to be a positive development for export companies and exports of our fabric will increase to 5% in different countries like Sri Lanka, Bangladesh etc. We have also commenced exports of our PEB Division from this year. We are happy to announce that the board of Richa has recommended a final dividend of 5% on the paid up value of shares. The dividend is payable to the equity shareholders, whose name appears in the records of our 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 of shareholders in our Annual General Meeting.

Our strategy is based on building world-class assets, but this cannot be achieved without the people to construct, operate and manage these assets. As I visit the different parts of our business, I am always impressed by the quality of the people that we have within Richa. To further strengthen our team at Richa and work towards overall organisational development, we have hired NAHRS who will be working on regular training and developments of our people towards achieving our targets. I have great confidence in our strategy, our team, and belief that we are well positioned to continue to grow and thrive in the years ahead.

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

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

With Best Wishes
Sushil Gupta

Chairman & Managing Director



NOTICE

NOTICE is hereby given that Ninteenth Annual General Meeting of the members of Richa Industries Limited will be held on Friday, 13th September, 2013 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 Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended 31st March, 2013 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. Sushil Gupta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Manish Gupta who retires by rotation and being eligible offers himself for re-appointment.
5. 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:

6. TO CONSIDER AND, IF DEEMED FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION, AS A SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to provision of Section 314 read with Director's Relative (office or Place of Profit) Rules, 2011 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable provision, if any of the Companies Act, 1956 consent of the company be and is hereby accorded to the appointment of Mrs. Geeta Devi, Mother of Dr. Sandeep Gupta, Joint Managing Director and a relative of Sh. Sushil Gupta, Chairman Cum Managing Director and Mother of Sh. Manish Gupta Whole time Director of the company, to hold and continue to hold an Office or Place of profit as Admin-Manager (or any other designation and roles which the Board/Committee of the Board may decide from time to time) with effect from 01st April, 2013, on such remuneration and terms and conditions as set out in the explanatory statement attached to this Notice."

7. TO CONSIDER AND, IF DEEMED FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS A ORDINARY RESOLUTION.

"RESOLVED THAT Pursuant to the provision of the Section 146 of the Companies Act, 1956 and any other provision applicable, if any, the Registered office of the company be shifted from V.P.O. Kanwara, Kheri-Jasana road, Near Lingayas University, Faridabad-121001, Haryana to Plot No-29, DLF Industrial Area, Phase-II, Faridabad-121003, Haryana."

8. TO PLACE COMPLIANCE CERTIFICATE REGARDING PREFERENTIAL ALLOTMENT OF EQUITY SHARES

The members need to take note that the Company has made preferential allotment of 5389446 equity shares to promoter and non-promoters. The Compliance Certificate regarding this preferential allotment has been issued by the Statutory Auditor of the Company and is an essential part of the notice.

By Order of the Board
For Richa Industries Limited

Date: August 14, 2013
Place: Faridabad

Gaurav Yadav
Company Secretary

**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 Friday, 06th September, 2013 to Thursday, 12th September, 2013. (Both days inclusive).
6. Members desirous of having any information regarding accounts are requested to address their queries to the Manager-DGM 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 a green initiative, 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. 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.
9. 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.
10. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.
11. As a part of Green initiatives in the Corporate Governance, The Ministry of Corporate affairs vide its Circular No. 17 & 18 dated April 21, 2011 and Paril 29, 2011 respectively, clarified that a company would have complied with section 53 of the Companies Act, 1956 if the service of the document has been made through electronic mode provide the company has obtained e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company.

Accordingly, the members are requested to intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited to their dedicated E-mail I.D. i.e. indelh@linkintime.co.in. and to the DP in respect of the shares held in physical mode and demat mode respectively, in case the members wish to avail the aforesaid facility.
12. Members are requested to fill in and send the Feedback Form provided in the Annual Report.



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

As regards reappointment of Mr. Sushil Gupta and Mr. Manish Gupta referred to in item no. 3 and Item No.4 of the Notice, the following necessary disclosure is made for the information of the Shareholder:

Name of Director	Mr. Sushil Gupta	Mr. Manish Gupta
Date of Birth	12/01/1965	01/11/1979
Date of appointment on the Board	15/09/1993	01/07/2002
Expertise in specific functional areas	Expert on R&D, and in designing layout and structural aspects of the building.	Expert in area of Marketing and in business development.
Qualification	B.Tech (Mechanica) and M.Tech from IIT-Delhi	B.Tech(Textile Chemistry)
No of Equity Shares held in the Company	1055706	168954
List of Public Companies (other than Richa Industries Limited in which Directorship held as on 31st March, 2013.	Richa Infrastructure Limited	Richa Infrastructure Limited Richa Building Systems Limited Richa Holdings Limited
Chairman/Member of the Committees of the Board of Public Companies in which he is a Director as on 31st March, 2013	NONE	NONE

By Order of the Board of Directors
For Richa Industries Limited

Place: Faridabad
Date: August 14, 2013

(Gaurav Yadav)
Company Secretary & Compliance Officer

Registered Office:

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

**ANNEXURE TO NOTICE**

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

ITEM No. 6

Approval of the Members is being sought under section 314 and other applicable provision, if any of the companies act, 1956 for the appointment of Mrs. Geeta Devi, who is the Mother of Dr. Sandeep Gupta and a relative of Mr. Sushil Gupta, Chairman cum managing Director and Mother of Mr. Manish Gupta, Whole time Director of the company, to hold and continue to hold office in the company, with effect from 01st April, 2013

The terms of appointment of Mrs. Geeta Devi

Salary: Basic Rs 50,000 Per Month

Other entitlements

- | | | | |
|----|---------------------------|---|--|
| 1. | Medical for Self & Family | : | Actual for self and family including Premium of mediclaim Policy |
| 2. | Earned Leave | : | As per Company Rules |
| 3. | Provident Fund | : | Company's Contribution towards provident fund, pension fund & Superannuation fund as per the Company Rules |
| 4. | Gratuity | : | Gratuity as per the payment of Gratuity Act, 1972 including any amendment or re-enactment thereof. |

He will be also entitled for such other perquisites and allowances in accordance with the rules of the company or as may be agreed upon by the Board of Directors and Mrs. Geeta Devi from time to time, include reorganize/restructure the remuneration package in accordance with the provision of section 314 and director Relative (Office or Place of profit) Rules, 2011) subject to maximum permissible limit prescribe under the said Rules.

Mrs. Geeta Devi is old and dynamic personality, she did her graduation in management.

Taking into consideration her qualification, it is proposed to appoint Mrs. Geeta Devi in the company to be primarily responsible for Administrative department

Your Board of Directors believes that Mrs. Geeta Devi is fit for successfully handling this responsibility.

The proposed appointment of Mrs. Geeta Devi has been approved by the Board and recommend his appointment for your approval.

ITEM No. 7

Approval of the Members is being sought under provisions of the Companies Act, 1956, if any, for shifting of the registered office from V.P.O Kanwara, Kheri-Jasana road near Lingayas University, Faridabad-121003, Haryana to Plot No-29, DLF Industrial Area, Faridabad-121003, Haryana. The present registered office of the company is in outskirts of the city and not easily approachable. The management of the company was trying its best to find a suitable location for the same. Now, new building is ready at conveniently located place. The Board of Directors have already approved shifting of Registered Office in its meeting and recommend approval of the same.



ITEM No. 8

At the time of approval of special resolution through postal ballot for approving preferential allotment, the compliance certificate issued by Statutory Auditor was placed before the members and the same was noted by the members. However, while issuing final listing approval, the BSE insisted on undertaking from Company Secretary about placing of this certificate in next meeting of the shareholders. Therefore, the compliance certificate issued by the statutory auditor about preferential allotment is placed before the members as essential part of the notice.

The original certificate will be available for inspection at the venue of the AGM.

By Order of the Board of Directors
For Richa Industries Limited

Place: Faridabad
Date: August 14, 2013

(**Gaurav Yadav**)
Company Secretary & Compliance Officer

Registered Office:

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



Tayal & Co.
Chartered Accountants

TO WHOMSOEVER IT MAY CONCERN

I, R. A. Gupta, Partner of M/s. Tayal & Co., Statutory Auditors to the M/s Richa Industries Limited hereby confirm and certify that the proposed preferential issue is being made in compliance of the provisions of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended up to date.

For Tayal & Co.
Chartered Accountants

R. A. Gupta



(CA R.A. Gupta)
Partner
Membership No 080997
Firm Registration No.001845N

Place: Faridabad
Date: 6th May, 2013

B.P. - 49, First Floor, Neelam-Bata Road, Near Syndicate Bank, Faridabad-121001
Phone : 0129-2412737, Fax : 0129-4028737, Mobile : 9811502737
E-mail : tayalandcompany@rediffmail.com

Firm PAN : AAFT0161D

Service Tax No. AAFT0161DST001

Firm Registration No. 001845N



Company Information

Board of Directors

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

Company Secretary

Gaurav Yadav

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

Board Committees:

Audit Committee

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

Shareholders' / Investors'

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

PEB Division

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

Registrar & Transfer Agent

Link Intime India Private Limited
44, Community Center, 2nd Floor,
Naraina Indl. Area
Phase-I, Near PVR, Naraina
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

Contents

Management Discussion and Analysis	8-13
Directors' Report	14-19
Corporate Governance Report	20-38
Declaration of Chairman & Managing Director & Joint Managing Director	39
Auditors' Certification on Corporate Governance	40
Certification by Chief Executive Officer & Chief Financial Officer	41
Declaration regarding Compliance with Code of Conduct	42
Auditors' Report	43-47
Balance Sheet	48
Profit & Loss Account	49
Cash Flow Statement	50
Significant Accounting Policies	51-53
Notes to accounts forming part of the Balance Sheet & Profit & Loss A/c	54-67
Performance Highlights	68