

2016 ANNUAL REPORT



A Journey of Transformation

TEXTILE . PEB . EPC



RICHA INDUSTRIES LIMITED
Don't Just Build...Create





Don't Just Build...Create

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RICHA INDUSTRIES LIMITED



Mr. Sushil Gupta
Chairman & Managing Director

CHAIRMAN MESSAGE

Dear Shareholders,

We are heartily grateful to present the Annual Report of our company for the financial year 2015-2016. The year was quite challenging for all of us to sustain both the business and profitability in the backdrop of the subdued economic situation. Nevertheless, we can assure our valuable stakeholders that the company has done fairly well in achieving the healthy growth in business revenues and customer base.

Richa continues to be on positive growth trajectory. While top line performance was driven by market penetration, greater access to products and cost efficiency are the differentiating pillars driven company progress.

During the year, our company has executed the various projects in the line of Construction and Engineering. Also, we had received various orders from the Government Department i.e. Bharat Electronics Limited (Ministry of Defence), Rail over Bridge Project for Railways and many more. As a fruitful result, company has recorded yet another year of resilient performance, with each quarter during the current financial year recording profitable growth. Sales and PAT for the financial period ending March 31, 2016 were Rs 480 crore and Rs 10 Crore respectively. Richa has accomplished more than 500 projects in a record time on an average of delivering one building in five days.

We are also confident for bright future as huge investments are being lined up by government of India on infrastructure like; railways, freight corridors, NHAI etc. which can create good opportunity for our industry.



Several factors continued to aid Company's growth i.e. by providing and implementing training to the employees and by improving our sales product and marketing product. One of the strongest reasons for the sustained growth has been its focus on the sales and the customer base.

Richa is looking forward to expand its business around the globe and always continued to remain focused on Research and Development, Innovations and Technologies which have resulted in delivering value to end consumer.

During the year, we have won Tekla India BIM 2016 award for its depot cum workshop model of Lucknow Metro Project. The most attractive feature of the project is that it is a large 72 meter span structure with curved roof which made the structure stood out of the rest. The Company received this honor under infrastructure projects category. The other categories of award included commercial, industrial, public, small and popular choice award. The winner of each category in Tekla BIM Awards was decided by a jury of leading BIM experts in the world including both from inside and outside Tekla.

Our people continue to remain our biggest & valuable assets and we take pride in the diversity of talent we have across culture, demography and geographies. We have strong team with thorough knowledge and wide experience. With their continued support, aspiration, focus, hard work, commitment, collaboration and teamwork our company is reaching newer heights.

Before I conclude, want to grab this opportunity to extend my sincere gratitude to bankers & all the shareholders for their persistent support for overall development of the Company. I thank all our customers for their continued support and the opportunity given to us to serve them and develop business relationship. I also place on record my sincere appreciation for employees for their dedication, commitment and contribution towards the growth of the Company. The valuable support of all the stakeholders and the confidence they repose in the Company will motivate us to work with renewed vigor to improve the business performance, year after year, a continuous growth.

With Best Wishes

Sushil Gupta
Chairman & Managing Director

RICHA INDUSTRIES LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Sushil Gupta	Chairman & Managing Director
Dr. Sandeep Gupta	Joint Managing Director
Mr. Nitin Agarwal	Non-Executive Independent Director
*Ms. Sonia Nankani	Non-Executive Independent Director
**Ms. Bhawana Singhal	Non-Executive Independent Director

Company Secretary

Mr. Gaurav Yadav

Statutory Auditors

M/s Vijay Singla & Associates, Chartered Accountants
H.No. 427, Ward No. 9, Dhir Street,
Near Bus stand, Backside Electricity Board
Mansa (Punjab)- 151505,

Secretarial Auditors

Kapil Kachhawa & Associates
528/14, Near Chun Pachan Gali
Nalla Bazar, Ajmer-305001,
Rajasthan

Bankers

Indian Overseas Bank
Corporation Bank

Board Committees:

Stakeholder and Relationship Committee

**Ms. Bhawana Singhal	Chairman
Mr. Nitin Agarwal	Member
Mr. Sandeep Gupta	Member

Audit Committee

**Ms. Bhawana Singhal	Chairman
Mr. Nitin Agarwal	Member
Dr. Sandeep Gupta	Member

Nomination and Remuneration Committee

**Ms. Bhawana Singhal	Chairman
Mr. Nitin Agarwal	Member
Mr. Sandeep Gupta	Member

*Ms. Sonia Nankani has resigned as Independent Director w.e.f. December 24, 2015.

**Ms. Bhawana Singhal was appointed as an Additional Independent Director w.e.f 23rd March, 2016

Registered Office

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

Textile Division

VPO Kawnra, Old Faridabad to
Kheri-Jasana Road, Near Lingayas
Institute of Mgt & Tech.
Faridabad- 121001
Haryana

Construction & Engineering Division

8th Km Stone, Ramnagar Road
NH-121, Kashipur,
Udham Singh Nagar
Uttarakhand- 244713

Registrar & Transfer Agent

Link Intime India (P) Limited
44, Community Centre, 2nd Floor
Near PVR, Phase-I
Naraina Industrial Area,
New Delhi- 110028

E-Mail: cs@richa.in

Website: www.richa.in



RICHA INDUSTRIES LIMITED

Regd. Office: Plot No. 29, DLF Industrial Area, Ph.-II, Faridabad - 121003 (HRY.)

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

CIN: L17115HR1993PLC032108 Tel.: 0129-4133968 Fax : 0129-4133969

NOTICE

22ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Second Annual General Meeting (AGM) of the members of Richa Industries Limited will be held on Saturday, August 13, 2016 at 10.00 A.M. at Hotel Delite, 17-18, Neelam Bata Road, N.I.T. Faridabad -121001, (Haryana), to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements i.e. Balance Sheet as at 31st March, 2016 and the Profit and Loss Account for the year ended 31st March, 2016 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Sandeep Gupta (DIN: 00035751) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution
“**RESOLVED THAT** pursuant to provision of Section 139 and all other applicable provision, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Vijay Singla & Associates, Chartered Accountants (Firm Registration No 018099N) as auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Third Annual General Meeting of the Company to be held in the year 2017 on such remuneration agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company for the Financial year ending March 31, 2017.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to provision of Section 149, 150, 152 and any other applicable provision of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Bhawana Singhal (DIN: 07479682) who was appointed as an Additional Director pursuant to the provision of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying their intention to propose Ms. Bhawana Singhal as a candidate for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from the date of this Meeting and not be liable to retire by rotation.”
5. To consider and if thought fit, to pass the following with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Lavesh Kansal (DIN: 07481847), who was appointed as an Additional Director in the professional capacity (EPC Division) under section 161 and other applicable provision of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Professional Director-EPC Division) of the Company.”
6. To consider and if thought fit, to pass the following with or without modification(s), the following resolution as an Special Resolution:
“**RESOLVED THAT** pursuant to the provision under section 197, 198 Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act” including any statutory amendments, modifications or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded for revision of remuneration of Dr. Sandeep Gupta, (DIN: 00035751) Managing Director of the Company w.e.f. 1st September, 2016 to Rs 30 Lacs p.a. (Rs Thirty Lacs) on the terms and conditions including remuneration as set out below:
 - a. Salary: Rs 2,50,000 p.m. (Rupees Two Lacs Fifty Thousand)
 - b. Perquisites and Allowances

The Managing Director shall be entitled to perquisites like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowance, car allowance, performance incentive, re-imbursement of water, gas and electricity bills at residence, re-imbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges, for self and his family and travel relating thereto including dependents and all other payments in nature of perquisites and allowances as agreed by the Board of Directors subject to ceiling of Rs 5,00,000 p.a. and the applicable premium payable on the Company policies towards mediclaim and Personal Accident Insurance.

RICHA INDUSTRIES LIMITED

Explanation

"Family here means the spouse, dependent children and dependent parents of the Managing Director

For the Purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual costs.

Use of Company Car for official purpose and telephone at residence and cell phones (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling

Apart from Re-imbursement of ordinary medical expenses, in case of hospitalization of the Managing Director, the Board of Directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of Rs 5, 00, 000 p.a. in any financial year

2. Contribution to provident fund and to Superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
3. Gratuity payable as per the rules of the Company and encashment of Leave at the end of tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the income tax Act
4. The Managing Director shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as they may think necessary or expedient of the purpose of giving effect to this resolution and to settle all matters arising out of and incidental thereto."

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

"RESOLVED THAT pursuant to the provision under section 197,198 Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act" including any statutory amendments, modifications or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act,2013, the consent of the Company be and is hereby accorded for revision of remuneration of Mr. Sushil Gupta, (DIN: 00035854) Chairman of the Company w.e.f. 1st September, 2016 to Rs 27 Lacs p.a.(Rs Twenty Seven Lacs) on the terms and conditions including remuneration as set out below:

- a. Salary: Rs 2, 25, 000 p.m. (Rupees Two Lacs Twenty Five Thousand)
- b. Perquisites and Allowances

The Chairman shall be entitled to perquisites like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowance, car allowance, performance incentive, re-imbursement of water, gas and electricity bills at residence, re-imbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges, for self and his family and travel relating thereto including dependents and all other payments in nature of perquisites and allowances as agreed by the Board of Directors subject to ceiling of Rs 5,00,000 p.a. and the applicable premium payable on the Company policies towards mediclaim and Personal Accident Insurance.

Explanation

"Family here means the spouse, dependent children and dependent parents of the Chairman

For the Purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual costs.

Use of Company Car for official purpose and telephone at residence and cell phones (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling

Apart from Re-imbursement of ordinary medical expenses, in case of hospitalization of the Chairman, the Board of Directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of Rs 5, 00,000 p.a. in any financial year.

2. Contribution to provident fund and to Superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
3. Gratuity payable as per the rules of the Company and encashment of Leave at the end of tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the income tax Act
4. The Chairman shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as they may think necessary or expedient of the purpose of giving effect to this resolution and to settle all matters arising out of and incidental thereto."

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded for revision of remuneration of Mr. Manish Gupta, President-Textile of the Company with effect from 1st September, 2016 to Rs 24 Lacs p.a. (Rs Twenty Four Lacs) on the terms and conditions including remuneration as set out below:

a. Salary: Rs 2, 00, 000 p.m. (Rupees Two Lacs)

b. Perquisites and Allowances

The President -Textile shall be entitled to perquisites like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowance, car allowance, performance incentive, re-imbursement of water, gas and electricity bills at residence, re-imbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges, for self and his family and travel relating thereto including dependents and all other payments in nature of perquisites and allowances as agreed by the Board of Directors subject to ceiling of Rs 5, 00,000 p.a. and the applicable premium payable on the Company policies towards mediclaim and Personal Accident Insurance.

Explanation

Family here means the spouse, dependent children and dependent parents of the President-Textile Division of the Company.

For the Purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual costs.

Use of Company Car for official purpose and telephone at residence and cell phones (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling

Apart from Re-imbursement of ordinary medical expenses, in case of hospitalization the Board of Directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of Rs 5, 00,000 p.a. in any financial year.

2. Contribution to provident fund and to Superannuation fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
3. Gratuity payable as per the rules of the Company and encashment of Leave at the end of tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the income tax Act.
4. The President-Textile shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as they may think necessary or expedient of the purpose of giving effect to this resolution and to settle all matters arising out of and incidental thereto.”

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

“RESOLVED THAT pursuant to provision of Section 148 and all other applicable provision of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor, Sh. Krishan Singh Berk, Cost Accountant appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company be paid a remuneration, for the financial year ending March 31,2017, amounting to Rs 75,000/-(Rupees Seventy Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses incurred by them connection with the aforesaid audit.”

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

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

Private Placement of Non-Convertible Debenture

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and subject to all the applicable laws and regulations including but not limited to SEBI (Issue and Listing of Debt Securities) regulations, 2008, SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (including any modification, amendment, substitution or re-enactment thereof, for the time being in force) and subject to the provisions of the Memorandum and the Articles of Association of the Company, the consent of the Company, be and is hereby accorded to the board of directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee of the Board constituted to exercise its power, including the powers conferred by this resolution) to borrow money from time to time by making an offer(s) or invitations to subscribe and issue Non-Convertible Debentures ("NCDs"), whether secured or unsecured on private placement basis, in one or more tranches, such that the total amount does not exceed Rs 100 crore (Rupees Hundred Crore Only), during a period of One year from the date of passing of this resolution on such terms and conditions as the Board may from time to time determine and consider proper and shall be within the overall borrowing limits of the Company as may be approved by the members from time-to-time;

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RESOLVED FURTHER THAT the Board (including any committee thereof) be and is hereby authorized and empowered to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such unsecured NCDs, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions."

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

Preferential Allotment of Equity Shares

"RESOLVED THAT in accordance with the provision of Section 42, 62 and all other applicable provision, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations 2009") as amended thereto, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and the relevant provision of the Memorandum and Articles of Associations of the Company and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into by the Company with the stock exchange where the shares of the Company are listed and subject to such approvals, consent, permission and sanctions as may be required from the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock exchanges and any other relevant statutory, government authorities or departments, institutions or bodies in this regard and further subject to terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals and permission as may be necessary or which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the Board be and is hereby authorized to create, offer, issue and allot by way of Preferential Allotment up to 11,51,000 (Eleven Lac Fifty one Thousand) Equity Shares of Face Value of Rs 10/- (Rupees Ten Only) to Promoter & Promoter Group, on preferential Allotment basis in compliance with Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments thereto & on such terms and conditions and in such manner as the Board may in its absolute discretion deem fit, to the following persons/entities as mentioned below :

Sr.No	Name of the Proposed Allottee	No of Equity Shares proposed to be allotted	Name of the Ultimate Beneficiaries/Owners
1	Sandeep Gupta	337813	Sandeep Gupta
2	Sushil Gupta	331250	Sushil Gupta
3	Shweta Gupta	73594	Shweta Gupta
4	Subhash Gupta	345843	Subhash Gupta
5	Manish Gupta	62500	Manish Gupta
	Total	11,51,000	

RESOLVED FURTHER THAT

- (1) The relevant date for the purpose of pricing of issue of the Equity Shares in accordance with the Regulation 71 of SEBI (ICDR) Regulations, 2009 (as amended) be fixed as 14th July, 2016 being the 30th day prior to 13th August, 2016 i.e. the date on which the Annual General meeting of the Shareholder is convened to consider the proposed preferential issue.
- (2) The Equity shares allotted in terms of this resolution shall rank pari passu in all respect with the existing Equity Shares of the Company
- (3) The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of equity shares, and shall also be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting

RESOLVED FURTHER THAT the aforesaid equity shares allotted on preferential basis shall be locked in from the date of trading approval granted from the Stock Exchange for such periods as prescribed in Regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT the Equity Shares proposed to be allotted to the Proposed Allottees be listed on the Bombay Stock Exchange Limited subject to its approval and that the Board be and is hereby authorized to make the necessary applications and to take all other steps as may be necessary for the listing of the Equity Shares proposed to be allotted to the Proposed Allottee as per the terms and conditions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchange and for the admission of such Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of the Equity Shares to the Proposed Allottee's dematerialised securities account.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate to a committee of Directors or any of the Directors whom the Board may authorize all or any of its powers and authorities vested in terms of this resolution as may be permitted by law."

By Order of the Board of Directors

Place: Faridabad
Date: 27th June, 2016
Registered Office:
Plot No.29, DLF Industrial Area,
Phase-II, Faridabad-121003, Haryana

Gaurav Yadav
Company Secretary
& Compliance Officer