

# RISHI LASER LIMITED



**Rishi Laser Ltd.**  
Precision Metal Fabricators



# 22<sup>ND</sup>

## ANNUAL REPORT 2013-2014

### BOARD OF DIRECTORS

Mr. H. B. Patel – Chairman and Managing Director  
Mr. J. K. Sheth – Director  
Mr. V. S. Shah – Director (Upto 10.03.14)  
Mr. V. D. Goray – Director  
Mr. D. C. Mehta – Director

### COMPANY SECRETARY

Supriya Joshi

### AUDITORS

Alladi Krishnan & Kumar,  
4, Marshal, Mogal Lane, Mahim, Mumbai - 400016.

### BANKERS

#### State Bank of India

Industrial Finance Branch, Wakdewadi, Pune.

#### Canara Bank

Tamarind Lane Branch, Crossly House, Fort, Mumbai - 400001

#### Axis Bank

Atlanta, Ground Floor, 209 Nariman Point, Mumbai.

### REGISTRARS AND TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.,  
19/20, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (E), Mumbai – 400059.

### REGISTERED OFFICE

612, Veena Killedar Industrial Estate,  
10/14, Pais Street, Byculla (W), Mumbai – 400011.

### MANUFACTURING UNITS

|                  |   |
|------------------|---|
| <b>Pune</b>      | <b>Unit - I</b> Gat No. 1236/1+2+3<br><b>Unit - II</b> Gat No. 229<br>Alandi Markal Road, Village Markal, Tal. Khed, Pune - 412105. |
| <b>Bengaluru</b> | Plot No.145-146, 4 <sup>th</sup> Phase, Bommasandra Industrial Area, Bengaluru - 560099.  |
| <b>Vadodara</b>  | Plot No. A/2 – 620, GIDC Estate, Makarpura, Vadodara - 390010   |
| <b>Savli</b>     | Plot No. 578–587, GIDC Savli, Savli - 391770  |
| <b>Nasik</b>     | Plot No. D/43, MIDC, Additional Indl. Area, Ambad, Nasik - 422010   |
| <b>Sonepat</b>   | 428, E.P.I.P. HSIDC Industrial Estate, Kundli, Dist. Sonepat - 131001, State-Haryana  |
| <b>Pithampur</b> | Plot No. 661,662,663 Sector-3, Near Indorama Ram Mandir, Pithampur, Dist.-Dhar (M.P.) 454775  |
| <b>Ahmedabad</b> | Plot No. 4-5, Naroda Industrial Estate, Ahmedabad - 382330.   |
| <b>Rajkot</b>    | Plot No. 2738, Gate -2, GIDC Lodhika Metoda, Rajkot - 360021.   |



## CONTENTS

|   | Page No. |
|---|----------|
| Key Numbers at a Glance and Graph .....           | 3        |
| Chairman's Message .....                          | 7        |
| Notice .....                                      | 8        |
| Directors' Report Alongwith Annexures .....       | 16       |
| Management Discussion and Analysis .....          | 21       |
| Corporate Governance Report .....                 | 22       |
| Declaration of the Managing Director .....        | 27       |
| Auditors' Certificate .....                       | 27       |
| Financial Performance on a Standalone Basis ..... | 28       |
| <b>STANDALONE ACCOUNTS</b>                        |          |
| Auditors Report .....                             | 30       |
| Balance Sheet .....                               | 34       |
| Profit and Loss .....                             | 35       |
| Cash Flow .....                                   | 36       |
| Notes to Financial Statement .....                | 38       |
| 212 Statement .....                               | 55       |
| <b>CONSOLIDATED ACCOUNTS</b>                      |          |
| Auditors Report .....                             | 56       |
| Balance Sheet .....                               | 58       |
| Profit and Loss .....                             | 59       |
| Cash Flow .....                                   | 60       |
| Notes to Financial Statement .....                | 62       |
| <b>SUBSIDIARY ACCOUNTS</b>                        |          |
| Directors Report .....                            | 78       |
| Auditors Report .....                             | 80       |
| Balance Sheet .....                               | 84       |
| Profit and Loss .....                             | 85       |
| Cash Flow .....                                   | 86       |
| Notes to Financial Statement .....                | 87       |
| Proxy Form .....                                  | 99       |
| Attendance Slip .....                             | 100      |

**KEY NUMBERS AT A GLANCE** (For Standalone basis)

| (Rs. in Crores)                               |        |        |        |        |         |
|---|--------|--------|--------|--------|---------|
| Particulars                                   | 2010   | 2011   | 2012   | 2013   | 2014    |
| <b>Profit &amp; Loss Account:</b>             |        |        |        |        |         |
| Revenue (Net)                                 | 112.99 | 145.61 | 154.09 | 137.04 | 103.43  |
| Total Income                                  | 115.24 | 146.13 | 155.39 | 142.94 | 103.61  |
| EBIDTA (Excluding Other Income)               | 14.92  | 21.57  | 17.48  | 11.49  | 2.82    |
| Profit/(Loss) Before Tax (PBT)                | 1.98   | 6.14   | 0.64   | (0.52) | (12.64) |
| Profit/(Loss) After Tax (PAT)                 | 1.25   | 5.29   | 0.46   | 0.07   | (11.92) |
| <b>Balance Sheet:</b>                         |        |        |        |        |         |
| Equity Capital                                | 8.55   | 8.64   | 8.99   | 8.99   | 9.19    |
| Reserves & Surplus                            | 37.45  | 41.55  | 42.35  | 42.40  | 30.67   |
| Networth                                      | 45.99  | 50.19  | 51.34  | 51.39  | 39.86   |
| Loan Funds                                    | 57.77  | 52.22  | 59.82  | 48.07  | 44.84   |
| Gross Block Including CWIP                    | 98.29  | 100.83 | 107.26 | 112.95 | 114.20  |
| <b>Ratio Analysis:</b>                        |        |        |        |        |         |
| EBIDTA Margin (%)<br>(Excluding Other Income) | 13.20  | 14.81  | 11.34  | 8.38   | 2.73    |
| PAT Margin (%)                                | 1.10   | 3.63   | 0.30   | 0.05   | (11.52) |
| Debt-Equity Ratio                             | 1.26   | 1.04   | 1.17   | 0.94   | 1.12    |
| Total Assets Turnover                         | 0.81   | 1.05   | 1.08   | 0.99   | 0.81    |
| Fixed Assets Turnover                         | 1.44   | 2.10   | 2.35   | 2.19   | 1.83    |
| ROCE (%)                                      | 6.23   | 8.82   | 6.43   | 5.32   | (6.04)  |
| <b>Ratios-Per Share:</b>                      |        |        |        |        |         |
| Earnings Per Share (Rs.)                      | 1.60   | 6.15   | 0.51   | 0.08   | (13.02) |
| Dividend Per Share (Rs.)                      | -      | 1.25   | -      | -      | -       |
| Book Value Per Share (Rs.)                    | 53.81  | 58.09  | 57.11  | 57.16  | 43.37   |

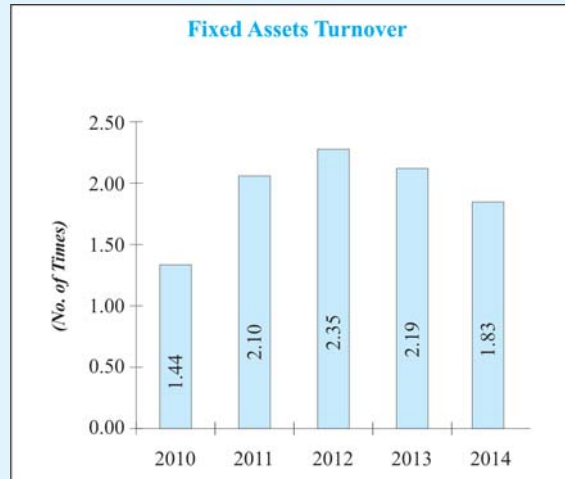


## COMPANY'S PERFORMANCE TREND-LAST FIVE FISCALS

### REVENUES



### TURNOVER



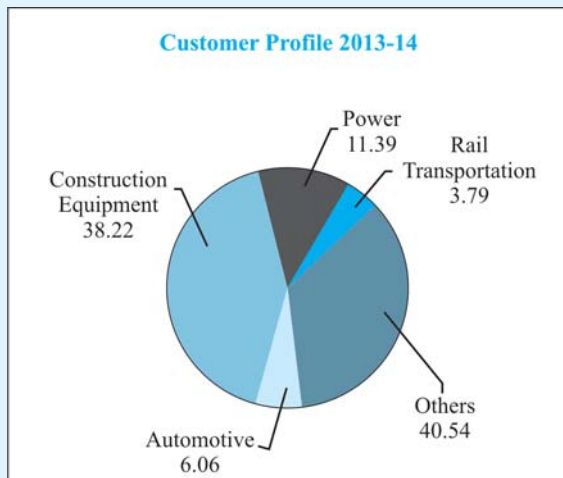
### Sales Mix



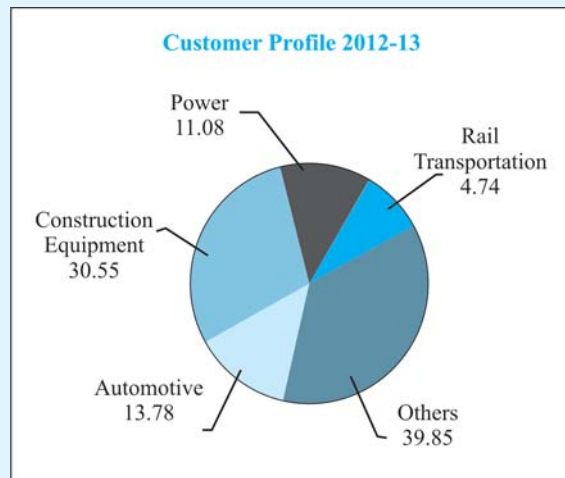
### Assets Turnover

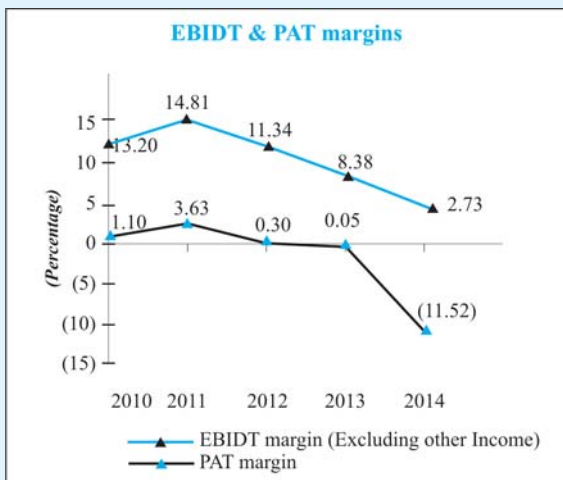
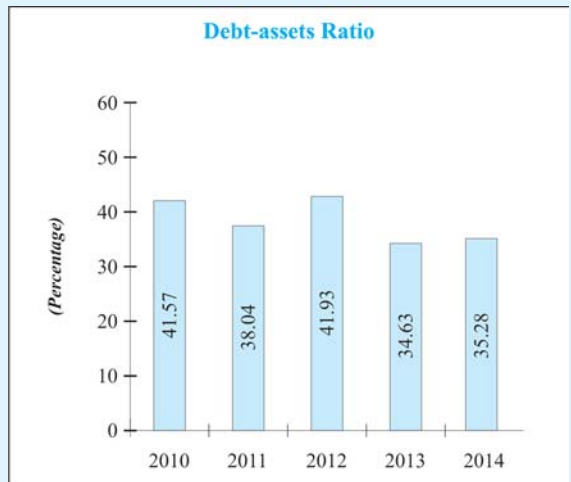
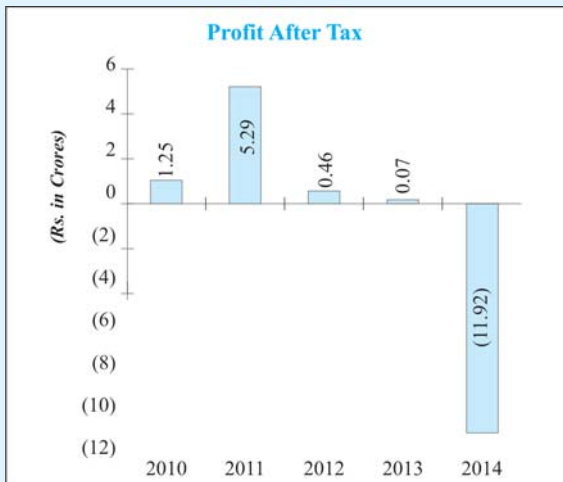
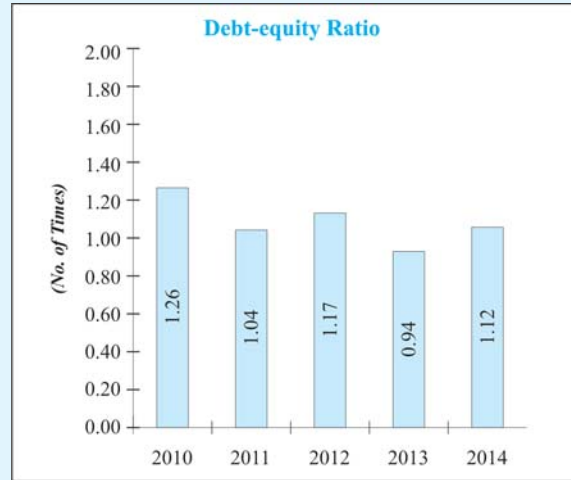


### Customer Profile 2013-14

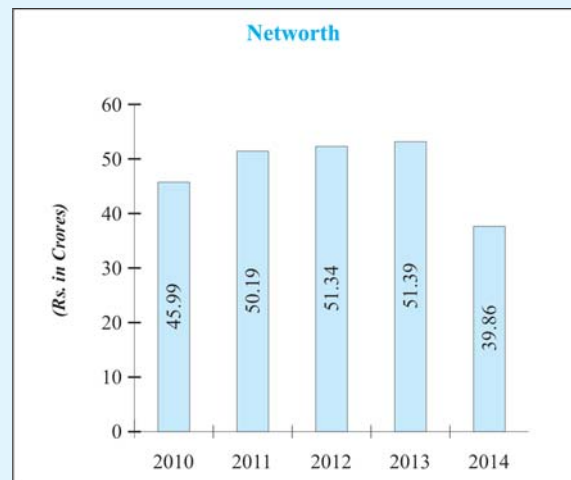


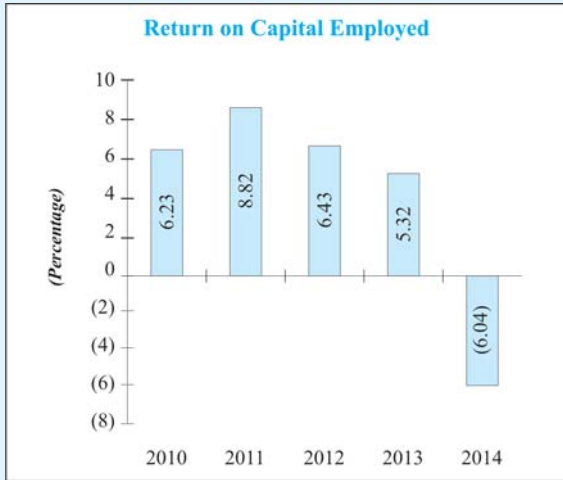
### Customer Profile 2012-13



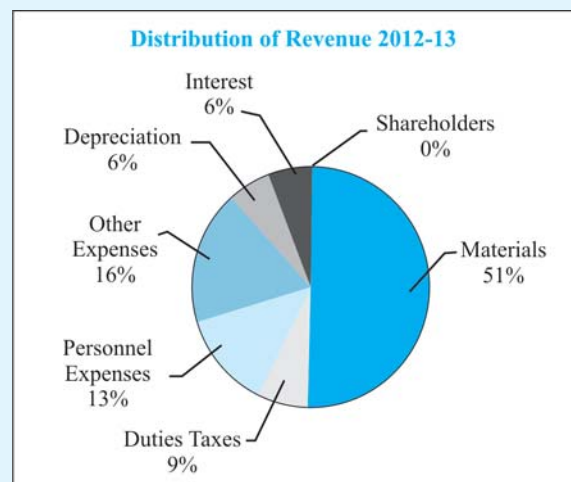
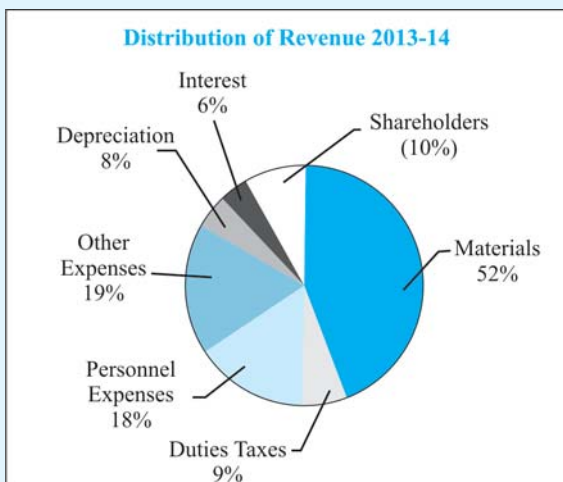


## VALUE CREATION





### Liquidity & Leverage



## CHAIRMAN'S STATEMENT



**Harshad B. Patel**  
Chairman

The past year 2013-14 was the most difficult year for the Company. From July 2014 onwards, demand from most of the sectors served by us, continued to fall.

Some of our major customers had negative growth last year and this impacted the demand cycle from our regular customers. Since large projects were also facing slowdown our projects business also had negative growth. We are making efforts to consolidate our operations by combining some of the units to reduce overhead costs.

Our efforts to reduce debt further could not be achieved due to lack of adequate cash flows. Our debt has been substantially reduced over past two years but needs to be brought down still further. This has proven to be difficult to do due to poor cash flows.

The trend in the first half of 2014-15 looks as if it will continue to be weak. However we are hopeful of pick up in demand from third or fourth quarter of this year. This should help bring the Company back to profitability.

**Sincerely,**

**Harshad B. Patel**





RISHI LASER LTD.

CIN : L99999MH1992PLC066412

Regd. office : 612 Veena Killedar Indl. Estate, 10/14 Pais Street, Byculla (W), Mumbai 400 011.

Tel. No. 022 - 23075677 / 23074585 | Fax No. 022-23080022

E-mail: rlcl.mumbai@rishilaser.com | Website: [www.rishilaser.com](http://www.rishilaser.com)

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Rishi Laser Limited will be held on Tuesday, 30th day of September, 2014 at 11.30 a.m. at Indian Merchant's Chamber, Killachand Conference Room, 2nd Floor, IMC Marg, Churchgate, Mumbai 400020 to transact the following business.

**AS ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014 and the Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
- 2 To appoint a Director in place of Mr. Jayesh Sheth (DIN: 00171340) who retire by rotation and being eligible offers himself for reappointment.
- 3 To re-appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and other provisions as may be applicable, if any, the Company hereby approves the appointment of M/s. Alladi Krishnan & Kumar, having Firm's Registration No. 100282W, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be decided by the Board of Directors in consultation with the Auditors”.

**AS SPECIAL BUSINESS**

- 4 To re-appoint Mr. Harshad Patel (DIN: 00164228) as Managing Director and in this regards to consider and if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of sections 196,197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof for time being in force), the Company hereby approves the re-appointment of Mr. Harshad Patel (DIN: 00164228) as Managing Director of the Company, for a period of three years from 1st of April, 2014, on remuneration and perquisites and other terms and conditions not exceeding the maximum limits specified in Schedule V as set out in the Draft of the Agreement to be entered into between the Company and Mr. Harshad Patel, placed before this Meeting and initialed by the Chairman for identification, and the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred on the Board by this resolution) be and is hereby authorised, with the acceptance of Mr. Harshad Patel, to vary or increase or enhance the Scope of the remuneration or perquisites as and when deem fit.

**“RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorised to do all such Acts, Deeds, Matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits Mr. Harshad Patel (DIN: 00164228) be paid remuneration to the extend provided in Schedule V”.

- 5 To borrow and raise money and to mortgage or create charge on the properties of the Company and in this regard to consider and if thought fit, to pass and with or without modifications the following Resolution as a **Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approval(s) of appropriate authorities, as may be necessary, consent of the members 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 Directors for the time being authorised by the Board of Directors to exercise

the powers conferred on the Board by this resolution), to borrow and raise such sum or sums of money in any manner from time to time, from any one or more Banks, Individuals, Persons, Firms, Bodies Corporate, Financial Institutions, Mutual Funds, Foreign Banks, Foreign Financial Institutions, Foreign Institutional Investors, Overseas Corporate Bodies, Overseas Mutual Funds, Trusts, Institutions, bodies, entities, or persons, whether incorporated or not and whether Indian or foreign, and whether by way of cash credit, term loans, advances, deposits, loans, ICD or bill discounting. Deferred payment credit/guarantees, issue of Securities, Bonds or other debt instruments, external commercial borrowings or by way of any other permitted mode of borrowings, whether convertible or not; and whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge, or any other kind of security created on the assets and/or properties of the Company, its subsidiaries, Joint Ventures, Associates, or of any other person(s) or individual(s); whether immovable or movable, tangible or intangible, or stock-in-trade (including raw materials, spare parts and components, in stock or in transit and work-in-progress), or by any kind of guarantees and all or any of the undertakings of the Company, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company and outstanding at any time shall not exceed the sum of Rs.150 Crores (Rupees One Hundred and Fifty Crores Only), exclusive of interest and other charges on such borrowings,

**“FURTHER RESOLVED THAT** consent and authority be and is hereby given to the Board to do all such acts, deeds, matters and things as it may at its discretion deem fit and proper including, if and when necessary, creation of such mortgage(s) and / or charge(s) in respect of the Securities or on the whole or substantially the whole of all or any of the undertaking(s) of the Company as contemplated by Section 180 (1)(a) of the Companies Act, 2013 in connection therewith and to execute all requisite documents or writings for giving effect to this Resolution.”

- 6 To approve the appointment and remuneration of the Cost Auditors for financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of section 148 of the Companies Act, 2013, read with section 233B of the Companies Act, 1956 and Central Government order No. 52/26/CAB/2010 issued dated 24.01.2012, directing the audit of the company's cost accounts relating to Engineering Machinery (including Electrical & Electronics Products) covered under Chapter Heading No. 84 to 87 of the Central Excise Tariff Act, 1985 for the year ended 2014-15, M/s P K Chatterjee & Associates, Cost Accountants, Surat be and is hereby appointed as Cost Auditors to conduct the audit of the cost accounts of the company in respect of manufacturing of Engineering Machinery (including Electrical & electronics Products) at the Units of the Company situated at various places for the financial year 2014-15 at a remuneration of Rs.1,00,000/- including all things.”

**“RESOLVED FURTHER THAT** Mr. Harshad Patel, Managing Director or Mr. Vasant Goray Director of the Company be and are hereby severally authorised to make an application to central government in Form 23C and to comply with all other formalities in this regard.”

- 7 To appoint Mr. Vasant Goray (DIN: 00176609) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to section 149, 152 of the Companies Act, 2013 and such other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, the Company hereby approves the appointment of Mr. Vasant Goray (DIN: 00176609), Director of the Company, as an Independent Director of the Company for a term of five (5) years, to hold office upto the conclusion of the 27th Annual General Meeting”.

Registered Office: -  
612, Veena Killedar Industrial estate,  
10-14, Pais Street, Byculla (W),  
Mumbai 400011.

Dated: 29<sup>th</sup> May, 2014

By Order of the Board  
**For Rishi Laser Ltd.**

**Supriya Joshi**  
Company Secretary



**NOTES:**

A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

B. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting.

C. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable.

D. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special business to be transacted at the Meeting is annexed hereto.

E. Particulars required for appointment/ Reappointment of Director pursuant to clause 49 of the listing agreement:

Mr. Jayesh Sheth aged 57 years is a Director of the Company since 1995. He is a Commerce Graduate and is Director in Kantilal Chhaganlal Securities Pvt. Ltd. He retires by rotation and is eligible for re-appointment. He holds 362755 shares in the Company. Except Mr. Jayesh Sheth, no other Director is interested in the said resolution.

Mr. Vasant Goray was appointed as Director in the Annual General Meeting held on 27th September, 2006. He is a post graduate in Commerce and a Member of Institute of Company Secretaries of India. He has over 28 years' experience in Company Law and legal matters. He is not holding any shares in the Company. Except Mr Vasant Goray, no Director is interested in the Resolution.

F. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2014 to 30.09.2014 (both days inclusive).

G. Members/proxies should bring the attendance slips duly filled in for attending the meeting.

H. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.

I. Voting through electronic means (E-Voting):  
1. In accordance with the applicable provisions of Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 22nd Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.

2. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut off date August 22, 2014.

3. The voting period begins on Tuesday, September 23, 2014 at 9.00 a.m. and ends on Thursday, September 25, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

4. V. Sundaram & Co. has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

5. The Procedure and Instructions for e-voting are as under:

i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.

ii) Click on "Shareholders" tab.

iii) Now, select the "RISHI LASER LIMITED" from the drop down menu and click on "SUBMIT".

iv) Now Enter your User ID

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

| For Members holding shares in Demat Form and Physical Form |  |
|--|--|
| PAN*   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB#   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details#                                     | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.   |

#Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Rishi Laser Limited> on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.



- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and send the scan copy of Board Resolution/POA to [vsundaramfcs1@hotmail.com](mailto:vsundaramfcs1@hotmail.com)
- xviii) **In case of members receiving the physical copy:**
- a. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - b. The voting period begins on September 23, 2014 at 9.00 a.m. and ends on September 25, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xx) The results of e-voting shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.

## ANNEXURE

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013****Item No.4 (As per Schedule V of the Companies Act, 2013)****1. General Information:**

Rishi Laser Ltd formerly known as Rishi Laser Cutting Limited was incorporated on 20.04.1992. It is mainly engaged in the business of fabrication of sheet metal components. The Company has manufacturing units at Pune, Nashik, Baroda, Bangalore, Kundli. Indore, Ahmedabad and Rajkot. The Company has achieved net sales of Rs.10343.03 Lacs during the year as compared to Rs.13703.97 Lacs in the previous year. The Company has incurred a net loss of Rs.1191.99 Lacs in the year as compared to a net profit of Rs.6.75 lacs in the previous year. The company has no foreign investment or collaboration.

**2. Information about the appointee:**

Mr. Harshad Patel has been on the Board of the Company from the inception. He has been acting as Managing Director of the Company since 2011. The Board of Directors in their meeting held on 29.05.2014 decided to re-appoint him as Managing Director of the Company for the further period of three years w.e.f. 1<sup>st</sup> April 2014 pursuant to the provisions of sections 196,197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force).

At present he is the only Managerial Person looking after the operations of the Company. The responsibility of Mr.Harshad Patel has gone up manifold mainly on account of difficult financial position of the Company. Mr Harshad Patel is a qualified Chartered and Cost Accountant. He has over 30 years' experience in Business and Industry.

Further it is proposed to pay remuneration and Perquisites not exceeding the maximum limits

specified in Schedule V and on such other terms and conditions and as set out in the Draft of the Agreement to be entered into between the Company and Mr. Harshad Patel. The draft Agreement contains interalia, the following terms and conditions:

|   |  |
|---|--|
| Period  | Three years with effect from 1 <sup>st</sup> April, 2014   |
| Salary per month                                  | Not exceeding Rs. 4,00,000/-   |
| Commission  | Not exceeding 1% of Net profits  |
| Perquisites                                       | Perquisites will be limited to an amount equal to salary   |
| Housing   | House rent allowance up to 50% of salary. In case of rented accommodation, rent up to 50% of Salary will be paid by the Company.                 |
| Expenses on Gas Electricity, water and Furnishing | Not exceeding 10% of salary (valued as per Income Tax Rules)   |
| Leave   | One month for every eleven months of service. Leave accumulated and not availed can be encashed at the end of each year or at the end of tenure. |
| Medical Reimbursement                             | Reimbursement of expenses incurred for self and family.  |
| Leave travel concession                           | Plane fare for self and family once in a year to any place within the country.   |
| Personal Accident Insurance                       | Personal Accident Insurance for an amount, the annual premium of which does not exceed Rs. 10000/-   |
| Provident Fund                                    | a) Company's contribution towards PF – not exceeding 12% of salary.  |



|                   |  |
|-------------------|--|
|                   | b) Company's contribution towards Superannuation fund as per the rules of the Company.   |
| Gratuity          | One months' salary for each completed year of service.   |
| Car               | Free use of Company maintained car with chauffeur.   |
| Telephone         | Free Mobile phone and basic telephone facility at home.  |
| Performance Bonus | The Managing Director will be entitled to performance Bonus based on his performance to be decided by the Board but not exceeding an amount equal to salary. |

Family means the Spouse, the dependent children and dependent parents of the Managerial person.

Contribution towards PF, Gratuity and Superannuation fund and encashment of Leave will not be included in the Computation of ceiling on perquisites to the extent these either singly or taken together are not taxable under the Income Tax Act.

**3. Other information:**

During the year the Company has incurred a net loss of Rs.1191.99 lacs and as such the Company cannot pay remuneration as per provisions of section 197. Therefore, the remuneration is proposed as per section II of part II of schedule V of the Companies Act, 2013. The Losses suffered by the Company were on account of steep fall in sales due to recessionary conditions in the segments the Company operates. We could not procure sufficient orders from our bigger customers as they themselves were not getting sufficient orders which had a cascading effect.

**4. Disclosures:**

The Disclosures prescribed under Part IV of section II of Schedule V are mentioned in the Board of Director's report under the heading "Corporate Governance", attached to the financial statement.

5. The Special Resolutions contained in item no. 4 of the Notice seeks to approve the re-appointment of the Managing Director on remuneration and terms as set out in the draft of the proposed Agreement between the Company and Mr. Harshad Patel, a copy of which will be available for inspection at the registered office of the Company on any working day up to the date of Annual General Meeting between 11 a.m and 1 p.m excluding Saturdays, Sundays and Holidays.
6. The above shall be treated as abstract of the draft Agreement entered between the Company and the Mr. Harshad Patel pursuant to Section 190 of the Companies Act, 2013.
7. In case of absence or inadequacy of profits in any financial year, the remuneration stated above subject to limits specified in Schedule V will be paid as Minimum Remuneration to the Managing Director.
8. The Board recommends his re-appointment. No other Director, Key Managerial Personnel or their relatives other than Mr. Harshad Patel is interested in the Resolution.

**Item No. 5**

The Members of the Company at their Extra-Ordinary General Meeting held on 8<sup>th</sup> October 2007, had inter alia, passed an ordinary resolution pursuant to Section 293 (1) (d) and 293 (1) (a) of the Companies Act, 1956 (the Act), authorising the Board of Directors of the Company to borrow funds/money in excess of the aggregate of the paid-up capital of the Company and its free reserves (not including the temporary loans obtained from the bankers in the ordinary course of business), subject to the maximum limit of Rs.150 crores and to create mortgage/charge on the properties of the Company.

Further as per Section 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013 it is stipulated that prior approval of the member is to be obtained by way of Special Resolution for exercising the specified powers of the Board relating to borrowing of funds and creation of mortgage/charge.

Therefore the said Special Resolution is proposed for the approval of members under item no. 5 of the Notice to give effect to the revised provisions under the Companies Act, 2013.

The Board of Directors recommends the Special Resolution set out in item no. 5 of the Notice for approval of the Members, as they feel the same to be in the interest of the Company.

No Director or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said resolution, except to the extent of their respective shareholding in the Company.

**Item No. 6**

The Board of Directors, on the recommendation of Audit Committee has approved the appointment and remuneration of Rs.1,00,000/- to the Cost Auditor M/s Pranab Chatterjee & Co. to conduct the audit of the cost records of the Company for financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

The Board of Directors recommends an Ordinary Resolution set out in item no. 6 of the Notice for approval of the Members.

Registered Office: -  
612, Veena Killedar Industrial estate,  
10-14, Pais Street, Byculla (W),  
Mumbai 400011.

Dated: 29<sup>th</sup> May, 2014

No Director or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the said resolution.

**Item no. 7**

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Vasant Goray, being Independent Director of the Company, being appointed for a term of 5 years, upto the conclusion of the 27<sup>th</sup> Annual General Meeting and during this term he shall not be liable to retire by rotation.

The Company has received declaration from him stating that he meets with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act 2013.

The Company has also received notice pursuant to Section 160 of the Companies Act 2013 from member proposing his candidature for appointment of aforesaid Independent Director. In the opinion of the Board they also fulfill the conditions specified in the said Act for appointment as Independent Director.

The Board of Directors recommends the Ordinary Resolution set out in item no. 7 of the Notice for approval of the Members.

No Director or Key Managerial Personnel of the Company or their relatives other than Mr. Vasant Goray is in any way concerned or interested in the said resolution.

By Order of the Board  
**For Rishi Laser Ltd.**

**Supriya Joshi**  
**Company Secretary**



**DIRECTORS' REPORT**

Rishi Laser Ltd.,

Directors' Report

Directors present herewith the Annual Report and Audited Accounts for F.Y. 2013-14.

**FINANCIAL RESULTS****(Rs. In crores)**

| Sr. No. | Particulars                                  | Standalone |         | Consolidated |         |
|---------|--|------------|---------|--------------|---------|
|         |  | 2013-14    | 2012-13 | 2013-14      | 2012-13 |
| (i)     | Gross Revenue                                | 113.54     | 151.90  | 134.26       | 183.73  |
| (ii)    | Net Revenue (excluding excise duty)          | 103.43     | 137.04  | 121.93       | 165.22  |
| (iii)   | Profit before interest, depreciation and tax | 3.00       | 17.39   | 3.72         | 19.55   |
| (iv)    | Interest                                     | 6.91       | 9.08    | 8.22         | 10.83   |
| (v)     | Depreciation                                 | 8.73       | 8.84    | 10.46        | 10.48   |
| (vi)    | Tax  | (0.72)     | (0.59)  | (0.75)       | (0.55)  |
| (vii)   | Profit/loss after Tax                        | (11.92)    | 6.75    | (14.21)      | (1.21)  |

**DIVIDEND**

In view of the losses for the year ended March 31, 2014, the Board of Directors of your Company is constrained to recommend any dividend for the year under review.

**OPERATING RESULTS**

The standalone gross turnover for the year at Rs.113.54 crores was lower by Rs.38.36 crores compared to Rs.151.90 crores in the previous year. The demand from our primary market slowed down considerably in the financial year under review. The second half year saw a negative growth in demand from the earth moving industry as well as automotive sector.

Earnings before Interest, Depreciation and Tax were lower at Rs.3.00 crores as compared to Rs.17.39 crores in the previous year.

**FINANCE**

During the year the Company raised Rs.40,00,000/- by issue of 200000 Equity Shares of Rs.10/- each at a premium of Rs.10/- per share under ESOP.

**CURRENT YEAR**

Sales in the first two months of the current year at Rs.15.22 crores are lower than Rs.20.12 crores achieved in the same period in the previous year. This year will be very challenging as well as our major

customers are not expecting any growth. To improve profitability in current situation company is reducing fixed cost by consolidation of Capacity.

**MARKETS**

The Four Main verticals namely Construction Equipment, Automotive, Rail Transportation and Power (Transmission and Distribution) cumulatively contributed to Rs.61.41 crores compared to Rs.82.43 crores in the previous year.

Dampening sales to Automotive vertical has been a major contributor for drop in total net revenue for the year under review. Revenue from Automotive vertical during FY 2013-14 has gone down drastically to Rs.6.26 crores as against Rs.18.88 crores in the previous year.

Construction equipment vertical contributed Rs.39.48 crores compared to Rs.41.86 crores in FY 2012-13. Sales from this vertical as a percentage of net revenue increased from 30.55% in FY 2012-13 to 38.22% in FY 2013-14 making it the highest contributor to sales. This was achieved despite lower demand from existing customers. New Business could compensate partly for the drop in sales to the previous customers.

Sales from Power (Transmission and Distribution) vertical for the year under consideration amounted to Rs.11.76 crores compared to Rs.15.19 crores in the previous year.

Revenue from Rail Transportation vertical has gone down from Rs.6.50 crores in the previous year to Rs.3.91 crores during FY 2013-14 representing a decrease of 40%. Decline in business from this vertical has been due to delay in award as well as implementation of various metro projects.

Other sector is second major contributor of drop in total net revenue for the year under review. Revenue from Other Sector during FY 2013-14 has gone down to Rs.41.87 crores as against Rs.54.49 crores in the previous year. Decline in business from this vertical has been due to lower order from project based customer.

#### **INSURANCE**

All the properties of the Company have been adequately insured against fire, riot, earthquake and various other risks.

#### **FIXED DEPOSITS**

During the year under report, the Company has not accepted deposits from public.

#### **DIRECTORS**

Mr. Vandan Shah, Director of the Company resigned w.e.f. 10th March 2014. We would like to acknowledge his contribution and guidance to the Company during his period as the Director of the Company.

Mr. Jayesh Sheth retires by rotation and being eligible offer himself for reappointment.

Mr. Harshad Patel, Managing Director of the Company is being re-appointed for further period of three years commencing from 01st April 2014.

Mr. Vasant Goray, Independent Director of the Company is being proposed to be appointed as Independent Director of the Company for the period of five years in terms of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, at the ensuing Annual General Meeting of the Company.

Appropriate resolutions for the appointment/re-appointment of Director are being placed for your approval at the ensuing Annual General Meeting.

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

Your Directors hereby Report:

- a. That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any.
- b. That the directors have selected such Accounting Policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2014.
- c. That the Directors have taken the proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the Accounts on a going concern basis.

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

The management discussion and analysis on the operations of the Company is provided in a separate section and forms a part of this report.

#### **CORPORATE GOVERNANCE REPORT**

Report on Corporate Governance and Certificate of the Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock exchanges, are enclosed.

#### **PARTICULARS OF EMPLOYEES**

During the year under report, no employees have drawn remuneration in excess of the limits laid down under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2011.

#### **THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

The information is set out in Annexure – A.

#### **EMPLOYEES STOCK OPTION PLAN**

The information required to be disclosed under SEBI (ESOS & ESPS) Guidelines is given in Annexure B to the Directors' Report.



**AUDITORS**

M/s. Alladi Krishnan & Kumar, Chartered Accountants, Statutory Auditors of the Company (Firm Registration No. 100282W) retire and offer themselves for re-appointment.

The Company has obtained the requisite certificate required under Section 139 of the Companies Act, 2013 to the effect that their re-appointment, if made, will be in conformity with the limits specified in the said section and the criteria stipulated under section 141 of the Companies Act 2013.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation of the sustained and dedicated efforts

put in by all the employees collectively and concertedly as a Team.

The Directors would also like to thank the shareholders, customers, suppliers, bankers and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

**On behalf of Board of Directors**

Place : Mumbai  
Date : 29<sup>th</sup> May 2014

**Harshad B. Patel**  
Chairman &  
Managing Director

**ANNEXURE - A TO THE DIRECTORS REPORT**

**(THE COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS RULES, 1988.)**

**A) CONSERVATION OF ENERGY**

The Company has implemented energy conservation measures at all plants and offices.

The Form 'A' prescribed under the rules is not applicable to the Company since the Company does not fall in the industries, specified in Schedule to the Rules.

**B) TECHNOLOGY ABSORPTION FORM B**

The Company is not carrying out any R & D Operations but is assisting its customers in prototyping and developing import substitute items.

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

The Company has not imported any Technology.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The earning in foreign exchange amounts to Rs.6.75 crores. Expenditure in foreign currency on account of traveling and training etc. is Rs.0.03 crores, on account of import of components & spares is Rs.0.27 crores and on account of import of Capital Goods Rs. NIL.

## ANNEXURE-B TO THE DIRECTORS' REPORT

The information required to be disclosed under SEBI (ESOS & ESPS) Guidelines

|   | <b>ESOP 2006</b>  |
|---|---|
| (a) Options granted   | 2000000   |
| (b) The Pricing Formula   | 20/- per option   |
| (c) Options Vested  | 15,00,000   |
| (d) Options exercised   | 7,49,000  |
| (e) The total number of shares arising as a result of exercise of option  | 7,49,000  |
| (f) Options lapsed and reallocated  | NIL   |
| (g) Variations of terms of options  | In the AGM held on 27.09.2012 the option terms were varied as under:<br>1. Maximum options that can be granted increased from 800000 to 2000000.<br>2. Maximum options to be granted to an employee shall not exceed 1% of issued capital in any one year & 5% in aggregate.<br>3. Maximum options to be granted to any one non-executive director shall not exceed 400000 in any one year & in the aggregate.<br>4. Employee can exercise the entire option in one year or over a period of three years. Options can be exercised either in part or in full. |
| (h) Money realized by exercise of options   | 1,55,40,600/-   |
| (i) Total number of options in force  | 7,51,000  |
| (j) Employee-wise details of options granted to:  |   |
| (i) Senior managerial Personnel   |   |
| Mr. Ganesh Agrawal  | 140000  |
| Mr. Vinod Sharma  | 110000  |
| Mr. Kishan Jhanwar  | 55650   |
| Mr. M.K. Pandya   | 44000   |
| Mr. Abhay Thosar  | 39200   |
| Mr. Rajendra Manmadkar  | 24000   |
| (ii) Any other employees who receives a grant in any one year of option amounting to 5% or more of options granted during that year.  | NIL   |
| (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. | NIL   |
| (k) Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'  | Rs. -13.02  |



|  |                        |
|--|------------------------|
| (l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed. | NA                     |
| (m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or is less than the market price of the stock of the grant date.   | Rs.12.63 and Rs.103.06 |
| (n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:   |                        |
| (i) Risk-free interest rate  | 8.25%                  |
| (ii) Expected life   | 1 Year                 |
| (iii) Expected volatility  | 65%                    |
| (iv) Expected dividends  | 5%                     |
| (v) The price of the underlying share in the market at the time of option grant  | Rs.80.20               |

## MANAGEMENT DISCUSSION AND ANALYSIS

### Macro overview:

There has been negative growth in the Capital Goods Sector which is being served by our Company. Due to large infrastructure projects being delayed or cancelled the demand for equipments used in these projects has gone down. The mining industry equipment demand also took a major hit because of closure of some of the mines.

More players in the industry going after a smaller market has made the equipment industry very competitive and hence pricing is also under pressure. This has led to pricing pressure on our supplies to them.

### Capital Goods Industry and Operating Environment:

Due to the postponement or cancellation of large expenditure projects in Steel, Mining, Roads, Power the capital goods industry is suffering from a lack of demand for their products. This has led to reduced demand for our products.

### Automotive:

The HCV Industry had a fall in demand. This coupled with entry of more players in this segment has further fragmented the market. The Tippers which are used in mining also had a drastic fall which led to reduction in demand for our product.

### Construction Equipment:

This is the most important segment for the Company. The customers produce equipments used in Mining, Road Building, Infrastructure projects like Ports, Airports, Dams etc. Large expansions have taken place in the Industry during the last two years. However, the market barely grew in 2013-14. Since many new players entered the market, the competition intensified and the market also became fragmented. We have a very good customer base in the Industry. Due to reduced number of machines being produced by our major customers our sales to this industry took a drastic fall.

The trend is looking very weak for 2014-15 and there could be small growth in this Industry. This size of the Indian Construction Equipment Industry is less than one-tenth of that of China. The potential demand from this sector is very good but is difficult to predict when this sector will revive.

### Power:

There was no major thrust in the power distribution sector. The medium and low voltage switchgear industry had nominal growth and our business remained more or less static.

### Utility Sector:

Our supplies are primarily to the Compressor and the DG Set industry. The growth was very subdued but picked up in the last quarter of the year. This sector should see growth in 2014-15.

### Rail Transportation:

All the metro train builders in the country are our customers. We had lot of hopes from this sector as this is the most energy efficient way to move people in urban areas. However, the pace of implementation of metro projects is very slow. More importantly many projects are having imported trains which are taking away business from Indian Companies. Our major customer had not bagged a single order in last eighteen months.

Recently some large orders have been finalised on Indian metro builders. This should generate business in 2015.

### Projects:

This area suffered the most in 2013-14 as many projects were deferred. We expect this sector to revive in 2014-15 as enquiries have already started towards the end of 2013-14.



## CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE REPORT

## STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance is guided by emphasis on fairness, integrity, transparency, responsibility and accountability.

The Company recognizes its responsibility towards its stakeholders including shareholders, employees, the government and lenders and follows high standards of professionalism, honesty and integrity. The Company believes in monitoring its performance regularly and with utmost transparency so as to enable the optimum utilization of its resources.

The Company has fully complied with the requirements of Corporate Governance under the clause 49 of the listing agreement.

## BOARD OF DIRECTORS (as on 31.03.2014):

As on the date of Balance sheet; the Board of Directors of the Company consisted of Four Directors.

Out of the Four Directors, One is Promoter, one is non-independent and two are independent. The Company

has complied with the requirement of having atleast half of the Board comprising of Independent Directors as the Chairman of the Board is an Executive Director.

There is no Nominee Director on the Board of the Company.

No Director of the Company is either member of more than ten committees and/ or Chairman of more than five committees across all Companies in which he is Director and necessary disclosures to this effect has been received by the Company from all the Directors.

During the year, in all Five Board Meetings were held i.e. on 30th May 2013; 12th August 2013; 13th November 2013, 13th February 2014 and 20th February 2014. The time gap between any two meetings was not more than 4 months.

The details of Directors and their attendance record at Board Meetings held during the year, at last Annual General Meeting and number of other directorships and chairmanships/memberships of committees is given below:

| Name            | Category                     | Other Directorships in Public Cos. | Committee Memberships/ Chairmanships #(incl. RLL) | Attendance At Board Meetings | Attendance at last AGM | Share holding of Non-Executive Directors (as on 31.3.14) |
|-----------------|------------------------------|------------------------------------|---|------------------------------|------------------------|--|
| Mr. H. B. Patel | Promoter/Executive           | 1                                  | 2   | 5                            | Yes                    | —  |
| Mr. J. K. Sheth | Non-Promoter/Non Independent | Nil                                | -   | 4                            | Yes                    | 3,62,755   |
| Mr. V. S. Shah* | Non-Promoter/Independent     | Nil                                | 1   | 5                            | Yes                    | 20,000   |
| Mr. V. D. Goray | Non-Promoter/Independent     | Nil                                | 2   | 5                            | Yes                    | 47,810   |
| Mr. D. C. Mehta | Non-Promoter/Independent     | Nil                                | 2   | 4                            | No                     | 19,500   |

# While considering the memberships/chairmanships only Audit Committee and Shareholders and Investor Grievance Committee are considered.

\* resigned on 10<sup>th</sup> March, 2014

## CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company, which has been posted on the website of the Company [www.rishilaser.com](http://www.rishilaser.com).

All Board members and senior management personnel have affirmed compliance with the code for the year ended on March 31, 2014. Declaration to this effect signed by the Managing Director of the Company

for the year ended on March 31, 2014 has been included elsewhere in this report.

## COMMITTEES:

Audit Committee

The Company has a qualified Audit Committee comprising of three Directors out of which two-third are independent directors. Mr. Dinesh Mehta, having sound financial background and financial expertise is

a Chairman of the Committee with the other members being Mr. Harshad Patel and Mr. Vasant Goray.

The committee met on 30.05.2013 to review Annual Accounts for the year ended 31.03.2013; on 09.08.2013 to review unaudited financial results for the quarter ended 30.06.2013; on 13.11.2013 to review the half yearly results and on 13.02.2014 to review the nine month's Financial results.

The main functions of the Audit Committee were:

- Reviewing Financial Statements before submission to the Board.
- Reviewing internal control system and recommending improvement.
- Recommending appointment of Statutory Auditors and fixing Audit fees.
- Discussing with statutory Auditors the scope of Audit, conducting post audit discussions to ascertain area of concern.

While reviewing the financial statements the committee focused on:

- changes in accounting policies and reasons thereon.
- compliance with accounting standards.
- compliance with listing and other regulations.
- related party transactions.

The Meetings were attended by all the Members of the Committee.

**Remuneration Committee:**

The committee consists of three Directors, Mr. Vandan Shah (**Upto 10.03.14**), Mr. Vasant Goray and Mr. Dinesh Mehta.

The Remuneration Committee recommends the remuneration payable to Executive Director and also to senior executives.

Details of remuneration package of the Managing Director:  
(As prescribe by Schedule V of the Companies Act 2013)

Period : Three years from 01.04.2014  
Salary : Not Exceeding Rs. 4,00,000/-  
HRA : upto 50% of Salary

Besides the above the Managing Director is entitled to perquisites such as PF, Gratuity, Medical

Reimbursement, LTA, Telephone, Car and Accident Insurance.

Actual remuneration received by the Managing Director for the year 2013-14:

Mr. Harshad Patel - Rs. 44.09 Lacs

Non - Executive Directors are paid Rs.2500/- per Board Meeting attended.

**Shareholders/Investors Grievance Committee:**

The Committee consists of three Directors Mr. Vandan Shah Mr. Vasant Goray and Mr. Dinesh Mehta.

The Committee has been constituted to look into Redressal of Shareholders Complaints and correspondence with SEBI and the Stock Exchange.

There are no complaints pending with the Company.

**Compensation Committee:**

The Company has a Compensation Committee of Directors comprising of three Directors viz. Mr. Jayesh Sheth, Mr. Vasant Goray and Mr. Vandan Shah (**Upto 10.03.14**) for implementation of Employee Stock Option Scheme-2006.

**Finance Committee:**

The Company has a Finance Committee comprising of three Directors viz. Mr. Harshad Patel, Mr. Vasant Goray and Mr. Jayesh Sheth for looking after the matters pertaining to expansion and finance of the Company.

During the year, the Committee met on 02.08.2013, 02.09.2013, 15.01.2014 and on 11.03.2014 to consider finance proposals and to avail loan facilities.

**SUBSIDIARY COMAPANY:**

Your Company has one subsidiary Rishi Consfab Pvt. Ltd. During the year the subsidiary reported a loss of Rs.220.78 Lacs.

**GENERAL MEETINGS:**

Day, Time and Venue of Last Three Annual General Meetings:

19<sup>th</sup> AGM – Tuesday at 11.30 a.m. on 27.09.2011 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400020.





- 20<sup>th</sup> AGM - Thursday at 3.00 p.m. on 27.09.2012 at IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400020.
- 21<sup>st</sup> AGM - Thursday at 11.30 a.m. on 26.09.2013 at IMC, 2nd Floor, Killachand Conference Room, Churchgate, Mumbai- 400020.
- 22<sup>nd</sup> AGM - Tuesday day at 11.30 a.m. on 30.09.2014 at IMC, 2nd Floor, Killachand Conference Room, Churchgate, Mumbai- 400020.

#### **Special Resolutions:**

During the three previous Annual General meetings following Special Resolutions were passed:

- 1) In the 19th Annual General Meeting of the Company held on 27.09.2011 following Special Resolution was passed:
  - i) For re-appointment of Mr. Harshad Patel as Managing Director of the Company for a period of three years w.e.f. 1st April 2011.
- 2) In the 20th Annual General Meeting of the Company held on 27.09.2012 following Special Resolution was passed:
  - i) For amendment to the Employee Stock Option Scheme 2006
- 3) In the 21st Annual General Meeting of the Company held on 26.09.2013 no special resolution was passed.

#### **Postal Ballot:**

During the year the Company issued a Postal Ballot Notice dated 20<sup>th</sup> February 2014 to pass a Special Resolution to sale the vacant land of the Company situated at S.No. 51 & 52/2 admeasuring (approx. 4 Acres) at Majra Hosahalli, Kasaba Hobli, Doddaballapur, Bangalore under Section 180 (1) (a) of the Companies Act, 2013. Mr. Ajit Datar, Chartered Accountant was appointed as Scrutinizer for the purpose of the said Postal Ballot. The result of postal ballot was declared on 07th April 2014. The said Special Resolution was passed with more than 75% majority.

#### **DISCLOSURES:**

During the year under review, besides the transactions mentioned elsewhere in the Annual Report, (Related party transactions) there are no transactions of material nature with the Promoters, the Directors or the Management, their Subsidiaries or Relatives etc that had any potential conflict with the interest of the Company at large.

There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or by any statutory authority, on any matter relating to Capital Market.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the company has not adopted a treatment different from that prescribed in any Accounting Standard.

The Managing Director and the Finance Officer have certified to the Board in accordance with clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31.03.2014.

A Certificate from the Auditors of the Company regarding compliance of the Corporate Governance Clause 49 of the Listing Agreement is annexed herewith.

During the year the Company raised Rs. 40,00,000 by the issue of 2,00,000 equity shares of Rs.10/-each at a premium of Rs. 10/- per share under ESOP to employees.

The statement of uses/application of funds by major category were disclosed at the relative Audit Committee Meetings. There was no uses/application of funds for the purpose other than for which the same was prescribed.

A Management Discussion and Analysis report forming part of this Directors' report is attached herewith.

#### **MEANS OF COMMUNICATION:**

The Company has been publishing the Unaudited Quarterly and Audited Annual results in Free Press Journal and Navshakti.

The Company has been displaying the Quarterly and Half Yearly Results on the website of the Company viz. [www.rishilaser.com](http://www.rishilaser.com).

The Company has not made any presentations to institutional investors or to the analysts.

#### **GENERAL SHAREHOLDER INFORMATION:**

##### **22<sup>nd</sup> Annual General Meeting:**

Date : 30.09.2014  
Time : 11.30 a.m.  
Venue : IMC, 2nd floor, Killachand Conference Room, Churchgate, Mumbai 400020.

**Financial Year:**

The financial year of the Company is from April 1 to March 31, each year.

**Book Closure Date:**

26.09.2014 to 30.09.2014 (both days inclusive).

**Financial Calendar:**

Publication of Unaudited Results

Quarter Ending

|                      |  |
|----------------------|--|
| June, 30th 2014      | 45 days from end of quarter  |
| September, 30th 2014 | 45 days from end of quarter  |
| December, 31st 2014  | 45 days from end of quarter  |
| March, 31st 2015     | 45 days from end of quarter or 60 days from the end of quarter, in case of Audited Results |

**Listing on Stock Exchange:**

The shares of the Company are listed on the Mumbai Stock Exchange.

**Stock Code:**

|                   |              |
|-------------------|--------------|
| Physical Segment  | 526861       |
| CDSL/NSDL ISIN NO | INE988D01012 |

**STOCK MARKET DATA FOR THE YEAR 2013-14**

| Month        | BSE SENSEX |       |          |          |
|--------------|------------|-------|----------|----------|
|              | High       | Low   | High     | Low      |
| April 13     | 18.50      | 12.13 | 19622.68 | 18144.22 |
| May 13       | 20.45      | 16.50 | 20443.62 | 19451.26 |
| June 13      | 17.90      | 12.80 | 19860.19 | 18467.16 |
| July 13      | 17.00      | 13.57 | 20351.06 | 19126.82 |
| August 13    | 16.60      | 10.75 | 19569.20 | 17448.71 |
| September 13 | 12.80      | 10.50 | 20739.69 | 18166.17 |
| October 13   | 13.21      | 10.95 | 21205.44 | 19264.72 |
| November 13  | 13.40      | 10.96 | 21321.53 | 20137.67 |
| December 13  | 14.05      | 12.00 | 21483.74 | 20568.70 |
| January 14   | 16.17      | 12.57 | 21409.66 | 20343.78 |
| February 14  | 12.69      | 10.90 | 21140.51 | 19963.12 |
| March 14     | 16.39      | 11.00 | 22467.21 | 20920.98 |

**Compliance Officer:**

Ms. Supriya Joshi, Company Secretary is the Compliance Officer of the Company.

**Registrar and Transfer Agents (for Physical as well as for Electronic Transfers):**

Adroit Corporate Services Private Limited,  
19/20, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor,  
Makwana Road, Marol Naka, Mumbai 400059.  
Phone No. 4227 0400 Fax No. 2850 3748

**Share Transfer System:**

The Company's equity shares are compulsorily traded on in dematerialised form as per the SEBI guidelines.

Physical shares transfers are registered and returned within a period of 15 days from the date of receipt if the documents are correct and valid in all respects.

Pursuant to clause 47 (c) of the listing Agreement, certificates on half yearly basis have been issued by a company secretary in practice for due compliance of share transfer formalities by the Company. Certificates have also been received from a company secretary in practice for timely dematerialization of the shares of the



Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

As on March 31, 2014; 80,83,935 Equity Shares representing 87.94 % of the total paid-up capital of the Company are held in dematerialised form.

**Shareholding Pattern as at March 31, 2014**

| Category             | No. of Shares Held | % to paid up capital |
|----------------------|--------------------|----------------------|
| Promoters            | 1660706            | 18.07                |
| Bodies Corporate     | 558700             | 6.08                 |
| Non Resident Indians | 1014638            | 11.04                |
| Public               | 5958556            | 64.81                |
| <b>Total</b>         | <b>9192600</b>     | <b>100.00</b>        |

**Distribution of Shareholding:**

| No. of Shares    | No. of Shareholders | % of Total    | No. of Shares  | % of Total    |
|------------------|---------------------|---------------|----------------|---------------|
| 0-500            | 3783                | 73.46         | 678627         | 7.38          |
| 501-1,000        | 601                 | 11.67         | 497897         | 5.42          |
| 1,001-2,000      | 284                 | 5.52          | 429820         | 4.67          |
| 2,001-3,000      | 133                 | 2.58          | 341698         | 3.72          |
| 3,001-4,000      | 66                  | 1.28          | 239994         | 2.61          |
| 4,001-5,000      | 61                  | 1.18          | 289954         | 3.15          |
| 5,001-10,000     | 112                 | 2.17          | 846321         | 9.21          |
| 10,001 and above | 110                 | 2.14          | 5868289        | 63.84         |
|                  | <b>5150</b>         | <b>100.00</b> | <b>9192600</b> | <b>100.00</b> |

**Outstanding GDRs/ADRs/Warrants:**

The Company has not issued any GDRs/ ADRs/ Warrants during the year.

**Plant Locations:**

|                  |   |
|------------------|---|
| <b>Pune</b>      | <b>Unit - I</b> Gat No. 1236/1+2+3<br><b>Unit - II</b> Gat No. 229<br>Alandi Markal Road, Village Markal, Tal. Khed, Pune - 412105. |
| <b>Bengaluru</b> | Plot No.145-146, 4 <sup>th</sup> Phase, Bommasandra Industrial Area, Bengaluru - 560099   |
| <b>Vadodara</b>  | Plot No. A/2 – 620, GIDC Estate, Makarpura, Vadodara - 390010   |
| <b>Savli</b>     | Plot No. 578–587, GIDC Savli, Savli - 391770  |
| <b>Nasik</b>     | Plot No. D/43, MIDC, Additional Indl. Area, Ambad, Nasik - 422010   |
| <b>Sonepat</b>   | 428, E.P.I.P. HSIDC Industrial Estate, Kundli, Dist. Sonepat - 131001, State-Haryana  |
| <b>Pithampur</b> | Plot No. 661,662,663 Sector-3, Near Indorama Ram Mandir, Pithampur, Dist. - Dhar (M.P.)   |
| <b>Ahmedabad</b> | Plot No. 4-5, Naroda Industrial Estate, Ahmedabad - 382330.   |
| <b>Rajkot</b>    | Plot No. 2738, Gate -2, GIDC Lodhika Metoda, Rajkot - 360021.   |

**Address for Correspondence:**

The Compliance Officer,  
Rishi Laser Ltd.,  
612, Veena Killedar Industrial Estate, 10-14, Pais Street, Byculla (W), Mumbai - 400011.  
Tel.: 022-2307 5677/2307 4585 | E-mail: investors@rishilaser.com, rlcl.mumbai@rishilaser.com

## DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down Code of Conduct for all Board members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2014.

**By Order of the Board**

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

**Harshad B. Patel**  
Managing Director

## AUDITORS CERTIFICATE

The Shareholders of,  
Rishi Laser Ltd,  
Mumbai 400011

We have reviewed the records and documents concerning implementation of corporate governance procedure set by the Company during the financial year ended March 31, 2014 and furnish to us for our review.

Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for review and the information and explanations given to us by the company.

Based on such a review, in our opinion, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing Agreement entered into with the Stock Exchange.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For ALLADI KRISHNAN & KUMAR**  
**Chartered Accountants**  
**Firm's Registration No.100282W**

Place : Mumbai  
Dated : 29th May, 2014

**AJIT DATAR**  
Partner  
Membership No. 036274



## FINANCIAL PERFORMANCE ON A STANDALONE BASIS:

### Revenues:

Net revenue from operations for the year under review amounted to Rs.103.43 crores compared to Rs.137.04 crores in 2012-13 registering a fall of 25%. Sustained deceleration in the economic growth, high inflation, higher fuel prices, high interest rate regime continued to impact demand for capital goods in general and commercial vehicle industry in particular.

The Company's major revenues continued to come from four major verticals namely Construction equipment, Automotive, Rail Transportation and Power (Transmission & Distribution). The four major verticals mentioned above cumulatively accounted for 59% and 60% of net revenues in FY 2013-14 and FY 2012-13 respectively.

Drop in revenues is mainly attributable to major drop in sales in Automotive sector which decreased by Rs.12.62 crores i.e., from Rs.18.88 crores in FY 2012-13 to Rs.6.26 crores in FY 2013-14. Revenue from this vertical constituted 6.06% of overall sales, registering de-growth of 67% over previous year.

Construction equipment vertical continued to be one of the major verticals contributing Rs.39.48 crores translating to 38.16% of total net revenues in FY 2013-14 compared to Rs.41.86 crores or 30.55% in the previous year.

Power vertical contributed Rs.11.76 crores in FY 2013-14 compared to Rs.15.19 crores in FY 2012-13. This vertical registered de-growth of 23% compared to previous year. The company is present mainly in distribution segment of the value chain. Intense competition particularly from foreign markets is a big challenge for domestic power sector.

Sales from others vertical— registered de-growth of 23% compared to previous year from Rs.54.61 crores in FY 2012-13 to Rs.42.03 crores in FY 2013-14. This was mainly on account of drop in revenue from project works.

In spite of turbulent market conditions Company managed to keep Revenue from **Job Work** intact. Revenue from **Job Work** sales for the year at Rs.9.19 crores has shown marginal drop by 0.04% from Rs.9.60 crores in 2012-13. However, Job work receipts as a percentage of net sales for year under review increased marginally by 188 bps to 8.89% from 7.01% in FY 12-13.

### Expenditure:

**Raw material consumption** for the current year decreased by 26.35% to Rs.59.17 crores from Rs.80.33 crores in FY 2012-13 due to decrease in sales. Raw material cost as a percentage of sales with material remained flat at around 63%.

**Personnel Cost** for FY 2013-14 at Rs.20.05 crores has decreased marginally by Rs.0.33 crores in absolute terms but has increased by 450 bps as a percentage of net revenue at 19.38 % from 14.88% in FY 2012-13. The increase in personnel cost is due to normal yearly increments and retention of talents keeping in view expected growth-in business volumes.

**Financial Expenses** for the year under review amounted to Rs.6.91 crores as against Rs.9.08 crores in FY 2012-13. This decrease was mainly due to repayment of term loan during the year.

### Earnings:

**Earnings before Interest, Depreciation and Tax** (excluding extraordinary items) declined to Rs.3.00 crores in FY 2013-14 from Rs.17.39 crores in FY 2012-13. Decrease in EBITDA is mainly due to lower sales and higher personnel cost.

**Loss before Tax** of the Company for the year under review at Rs.12.64 crores increased by Rs.12.11 crores from Rs.0.52 crores in FY 2012-13. Substantial increase in loss during the year is due to decrease in EBITDA.

**Return on Capital Employed** for the current year decreased to -6.04% compared to 5.32% in FY 2012-13. Decline in return on capital employed was on account of lower EBITDA.

### Liquidity & Leverage

**Cash accruals** from the operations decreased by Rs.15.29 crores as compared to the previous year mainly due to loss incurred during the year under review.

**Gross Working Capital** at Rs.52.98 crores in FY 2013-14 was lower by Rs.6.91 crores compared to Rs.59.89 crores in 2012-13 mainly due to reduction in deposit with Banks. Net customer receivables at the end of FY 2013-14 stood at Rs.30.26 crores, representing 97 days of sales. Concentrated efforts are being made to improve the same.

**Net working capital (Excluding current maturities of long term debt)** for FY 2012-13 at Rs.(5.58) crores decreased by Rs.7.69 crores compared to FY 2012-13 mainly due to decrease in inventory, debtors and Cash & cash equivalents.

**Gross Debt-equity** ratio declined to 1.12 times in FY 2013-14 from 0.94 times in FY 2012-13. Gross debt (Including Current Maturities of long term debts) decreased to Rs.44.84 crores as at March 31, 2014 as compared to Rs.48.07 crores as at March 31, 2013. Despite of reduction in gross debt, the ratio worsened during the year due to the loss incurred.

#### **Value Creation:**

**Net worth** of the company decreased by Rs.11.53 crores to Rs.39.86 crores as at March 31, 2014 from Rs.51.39 crores as at March 31, 2013 due to loss incurred for the year.

**Book Value** per Share decreased to Rs.43.36 as at March 31, 2014 from Rs.57.15 as at March 31,2013 due to loss during the year.

#### **Opportunities and Risks**

##### **Opportunities:**

The core sectors such as infrastructure, power, minerals & metals which hold business prospects for the Company, await policy decisions and structural reforms. Speedy resolution of issues, in these sectors, is important for boosting the Company's prospects. The reform initiatives and their rigorous implementation by the new government is expected to remove the bottlenecks, presently impeding the economic growth in India and thereby improve business environment

The Company has made significant investments in the past few years in expanding its facilities for various businesses. While these new capacities provide the competitive edge to the Company, the returns on these investments are expected only over a longer term. The businesses are focusing on increasing capacity utilization and enhancing productivity in order to improve returns on these investments.

##### **Risks**

##### **Input Costs**

We are operating in a raw material intensive industry. The main inputs used by the company are various types and grades of steel which constitute a substantial percentage of its overall cost. Unexpected rise and volatility in the steel prices can adversely affect profit margin or have a negative impact on the demand.

#### **Hardening of Interest rates and other inflationary trends:**

Inflation continues to be a major cause of concern for our country and to contain it the central bank has taken slew of measures to stem the upward inflationary trend. The measures are expected to yield result in FY 2015-16. At present inflation continues to be high and further hardening of interest rates for short duration cannot be ruled out. Hardening of policy rates by RBI has led to significant jump in borrowing cost negatively impacting capacity expansion for Indian industries in general and manufacturing industries in particular. Further hardening of interest rates could have severe impact on industrial growth.

#### **Exchange rates**

**Weakening of Indian Rupee** have made adverse impact on import of steel, machines and spares.

#### **Government Regulations**

Government policies relating to import of steel, capital goods, stringent emission norms or other similar policies could have adverse impact on Company's business.

#### **Internal Control Systems**

The Company has adequate systems of internal control and procedures covering all financial and operating functions commensurate with the size and nature of operations. The Company believes that a strong internal control framework is one of the important pillars of Corporate Governance. Continuous efforts are being made to see that the controls are designed to provide a reasonable assurance with regard to maintaining of accounting controls and protecting assets from unauthorized use or losses. The audit committee looks into all aspects of internal control and advises corrective actions as and when required.

#### **Cautionary Statement**

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates, expectations 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 operations include among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and incidental factors.



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
Rishi Laser Limited

### Report on the Financial Statements

We have audited the accompanying Financial Statements of Rishi Laser Limited, which comprises the Balance Sheet as at 31<sup>st</sup> March 2014, and the Statement of Profit And Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

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

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

reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- i) In the case of Balance Sheet, of the State of Affairs of the Company as at March 31, 2014;
- ii) In the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory requirement

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that,
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the Books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement comply with the Accounting Standards referred to in Sub-Section (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of the written representations received from the Directors as on March 31, 2014, and taken on record by Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For ALLADI KRISHNAN AND KUMAR  
(Chartered Accountants)  
Firm's Registration No.100282W**

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

**AJIT S. DATAR  
(PARTNER)  
Membership No. 036274**





## ANNEXURE TO AUDITOR'S REPORT

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Rishi Laser Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. [a] The Company has maintained proper records showing full particulars, including quantitative details and location of the Fixed Assets.  
  
[b] There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.  
  
[c] The Company has not disposed off substantial part of fixed assets during the year.
2. [a] Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
[b] The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.  
  
[c] The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt in the books of account.
3. [a] According to the information and explanations given to us the Company has not taken/granted unsecured loans, from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii(b), iii(c) and iii(d) of the order are not applicable to the Company.  
  
[b] According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw material including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods. There is no major weakness in the internal control procedures.
5. In our opinion, and according to the information and explanations given to us, there were no transactions in pursuance of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the Company.

- 9 [a] The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities .
- [b] Custom duty amounting to Rs.68.24 Lakhs have not been deposited as on 31.03.14 on account of appeal pending with Customs, Excise and Service Tax Appellate Tribunal.
10. Company does not have accumulated losses at the end of financial year. The company has incurred cash losses during the financial year covered by Audit but did not incurred cash losses in the immediately preceding financial year.
11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to the financial institutions.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4 [xiii] of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4[xiv] of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others.
16. The Company has utilized the term loan for the purpose for which the loans were obtained.
17. According to the information and explanations received, the Company has not applied short-term borrowings for long-term use and vice versa.
18. During the year the Company has not made preferential allotment of shares.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For ALLADI KRISHNAN AND KUMAR  
(Chartered Accountants)  
Firm's Registration No.100282W**

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

**AJIT S. DATAR  
(PARTNER)  
Membership No. 036274**

**BALANCE SHEET AS AT 31ST MARCH, 2014**

| Particulars                                       | Note       | Rs. in Lacs      |                  |
|---|------------|------------------|------------------|
|   |            | 31.03.2014       | 31.03.2013       |
| <b>EQUITY &amp; LIABILITIES</b>                   |            |                  |                  |
| <b>Shareholders' Funds</b>                        |            |                  |                  |
| Share Capital                                     | 3          | 919.26           | 899.26           |
| Reserves and Surplus                              | 4          | 3,066.50         | 4,240.10         |
|   |            | <b>3,985.76</b>  | <b>5,139.36</b>  |
| <b>Non-Current Liabilities</b>                    |            |                  |                  |
| Long-Term Borrowings                              | 5          | 1,361.78         | 1,162.84         |
| Deferred Tax Liabilities (net)                    | 6          | 243.05           | 314.69           |
| Long-Term Provisions                              | 7          | 19.34            | 15.14            |
|   |            | <b>1,624.17</b>  | <b>1,492.67</b>  |
| <b>Current Liabilities</b>                        |            |                  |                  |
| Short-Term Borrowings                             | 8          | 2,626.37         | 2,595.44         |
| Trade Payables                                    | 9          | 2,598.14         | 2,706.14         |
| Other Current Liabilities                         | 10         | 916.66           | 1,355.29         |
| Short-Term Provisions                             | 11         | 210.07           | 169.09           |
|   |            | <b>6,351.24</b>  | <b>6,825.96</b>  |
| <b>TOTAL</b>                                      |            | <b>11,961.17</b> | <b>13,457.99</b> |
| <b>ASSETS</b>                                     |            |                  |                  |
| <b>Non-Current Assets</b>                         |            |                  |                  |
| Fixed Assets                                      |            |                  |                  |
| Tangible Assets                                   | 12         | 5,233.48         | 6,018.71         |
| Intangible Assets                                 | 12         | 7.32             | 16.47            |
| Capital Work-In-Progress                          |            | 302.20           | 245.95           |
| Intangible Assets Under Development               |            | 28.51            | 28.51            |
|   |            | <b>5,571.51</b>  | <b>6,309.64</b>  |
| Non-Current Investments                           | 13         | <b>892.85</b>    | <b>892.84</b>    |
| Long-Term Loans and Advances                      | 14         | <b>199.04</b>    | <b>266.82</b>    |
| <b>Current Assets</b>                             |            |                  |                  |
| Inventories                                       | 15         | 1,861.87         | 1,881.01         |
| Trade Receivable                                  | 16         | 3,026.37         | 3,575.25         |
| Cash and Cash Equivalents                         | 17         | 92.06            | 171.96           |
| Short-Term Loans and Advances                     | 18         | 317.47           | 360.47           |
|   |            | <b>5,297.77</b>  | <b>5,988.69</b>  |
| <b>Total</b>                                      |            | <b>11,961.17</b> | <b>13,457.99</b> |
| <b>Summary of significant accounting policies</b> | <b>2.1</b> |                  |                  |

The accompanying notes are an integral part of Financial Statement.

As per our report of even date

**For Alladi Krishnan & Kumar**

**Firm's Registration No.100282W**

Chartered Accountants

**Ajit S. Datar**

**Partner**

Membership No.036274

Place: Mumbai

Date : 29<sup>th</sup> May, 2014

**For Rishi Laser Limited**

**Chairman**

Harshad B. Patel

**Directors**

Vasant D. Goray

Jayesh K. Sheth

**Company Secretary**

Supriya Joshi

Dinesh Mehta

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014**

| Particulars   | Note | Rs. in Lacs       |                  |
|---|------|-------------------|------------------|
|   |      | 31.03.2014        | 31.03.2013       |
| <b>INCOME</b>   |      |                   |                  |
| Revenue from Operations (gross)   | 19   | 11,354.39         | 15,189.62        |
| Less: Excise Duty   | 19   | 1,011.36          | 1,485.65         |
| Revenue from Operations (net)   |      | 10,343.03         | 13,703.97        |
| Other Income  | 20   | 18.30             | 590.21           |
| <b>Total Revenue (i)</b>  |      | <b>10,361.33</b>  | <b>14,294.18</b> |
| <b>EXPENDITURE</b>  |      |                   |                  |
| Cost of Material Consumed   | 21   | 5,978.06          | 7,826.51         |
| Changes in Inventories of Finished Goods,<br>Work-in-progress and Stock-in-Trade  | 22   | (61.07)           | 206.61           |
| Employee Benefits Expenses  | 23   | 2,004.60          | 2,038.24         |
| Other Expenses  | 24   | 2,139.74          | 2,483.39         |
| <b>Total Expenditure (ii)</b>   |      | <b>10,061.33</b>  | <b>12,554.75</b> |
| <b>Earnings Before Exceptional Items,<br/>Extraordinary Items, Interest, Tax,<br/>Depreciation and Amortization (EBITDA) (i - ii)</b> |      |                   |                  |
|   |      | <b>300.00</b>     | <b>1,739.43</b>  |
| Finance Costs   | 25   | 690.57            | 908.23           |
| Depreciation and Amortization Expense   |      | 873.06            | 883.66           |
| <b>Profit / (Loss) before tax</b>   |      | <b>(1,263.63)</b> | <b>(52.46)</b>   |
| <b>Tax expenses</b>   |      |                   |                  |
| Current Tax   |      | -                 | -                |
| Deferred Tax  |      | (71.64)           | (59.21)          |
| <b>Profit for the year</b>  |      | <b>(1,191.99)</b> | <b>6.75</b>      |
| Earnings Per Share (Face Value of Rs.10/- Each):  |      |                   |                  |
| <b>Basic</b>  |      | (13.02)           | 0.08             |
| <b>Diluted</b>  |      | (13.02)           | 0.08             |

**Summary of significant accounting policies 2.1**

The accompanying notes are an integral part of Financial Statement.

As per our report of even date  
**For Alladi Krishnan & Kumar**  
 Firm's Registration No.100282W  
 Chartered Accountants

**Ajit S. Datar**  
 Partner  
 Membership No.036274  
 Place: Mumbai  
 Date : 29<sup>th</sup> May, 2014

**For Rishi Laser Limited**

**Chairman**  
 Harshad B. Patel

**Directors**  
 Vasant D. Goray

Jayesh K. Sheth

**Company Secretary**  
 Supriya Joshi

Dinesh Mehta



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

|  | Rs. in Lacs     |                 |
|--|-----------------|-----------------|
|  | 31.03.2014      | 31.03.2013      |
| <b>A. Cash Flow From Operating Activities</b>                                    |                 |                 |
| Net Profit before Tax and Extraordinary items                                    | (1,263.63)      | (52.45)         |
| <b>Adjusted for:</b>   |                 |                 |
| Depreciation   | 873.06          | 883.66          |
| Interest Paid  | 690.57          | 908.23          |
| Interest Received  | (21.69)         | (23.58)         |
| Capital Reserve  | (1.41)          | (1.41)          |
| Rent received  | (2.40)          | (2.40)          |
| (Profit)/loss on Sale of Assets  | 2.56            | (550.72)        |
| Loss on Sale of Investment   | 0.85            | -               |
| Dividend   | (0.02)          | (0.35)          |
| Extra Ordinary Item  | -               | 4.70            |
| <b>Operating Profit Before Working Capital Changes</b>                           | <b>277.89</b>   | <b>1,165.68</b> |
| <b>Adjusted for:</b>   |                 |                 |
| Decrease/(Increase) in Inventories   | 19.14           | 349.46          |
| Decrease/(Increase) in Trade Receivable  | 548.88          | 125.44          |
| Decrease/(Increase) in Long Term Loans and Advances                              | 67.78           | (26.04)         |
| Decrease/(Increase) in Short Term Loans and Advances                             | 43.00           | 10.44           |
| (Decrease)/Increase in Trade Payable   | (108.00)        | 438.15          |
| (Decrease)/Increase in Other Current Liabilities                                 | (438.63)        | (70.61)         |
| (Decrease)/Increase in Short Term Provisions                                     | 62.56           | 17.02           |
| (Decrease)/Increase in Long Term Provisions                                      | 4.20            | (3.18)          |
| <b>Cash Generated from Operations</b>  | <b>476.82</b>   | <b>2,006.36</b> |
| <b>Less:</b>   |                 |                 |
| Income Taxes Paid  | (21.58)         | (36.49)         |
| <b>Net Cash Flow from/(used in) Operating Activities (A)</b>                     | <b>455.24</b>   | <b>1,969.87</b> |
| <b>B. Cash Flow From Investing Activities:</b>                                   |                 |                 |
| Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances | (208.61)        | (987.77)        |
| Sale of Fixed Assets   | 71.11           | 901.34          |
| Sale / (Purchase) of Investment  | (0.85)          | (5.30)          |
| Interest Received  | 21.69           | 23.58           |
| Dividend Received  | 0.02            | 0.35            |
| Rent Received  | 2.40            | 2.40            |
| <b>Net Cash Flow from/(used in) Investing Activities (B)</b>                     | <b>(114.24)</b> | <b>(65.40)</b>  |

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

Rs. in Lacs

|  | 31.03.2014      | 31.03.2013        |
|--|-----------------|-------------------|
| <b>C. Cash Flow From Financing Activities:</b>               |                 |                   |
| Proceeds from Issue of Share Capital                         | 20.00           | -                 |
| Share Premium  | 20.00           | -                 |
| Share Issue Expense  | (0.20)          | -                 |
| Dividend Paid on Equity Shares                               | -               | -                 |
| Tax on Equity Dividend Paid                                  | -               | -                 |
| Proceed from Long Term Borrowings (Net of Repayment)         | 198.94          | (894.70)          |
| Proceed from Short Term Borrowings (Net of Repayment)        | 30.93           | (246.34)          |
| Interest Paid  | (690.57)        | (908.23)          |
| <b>Net Cash Flow from/(used in) Financial Activities (C)</b> | <b>(420.90)</b> | <b>(2,049.27)</b> |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>     | <b>(79.90)</b>  | <b>(144.80)</b>   |
| <b>Opening Balance of Cash and Cash Equivalents</b>          | 171.96          | 316.74            |
| <b>Closing Balance of Cash and Cash Equivalents</b>          | 92.06           | 171.96            |

As per our report of even date  
**For Alladi Krishnan & Kumar**  
**Firm's Registration No.100282W**  
Chartered Accountants

**For Rishi Laser Limited**

**Ajit S.Datar**  
**Partner**  
Membership No.036274  
Place: Mumbai  
Date : 29<sup>th</sup> May, 2014

**Chairman**  
Harshad B. Patel

**Company Secretary**  
Supriya Joshi

**Directors**  
Vasant D. Goray

Jayesh K. Sheth

Dinesh Mehta



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 1. Corporate Information

Rishi Laser Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one stock exchange in India. The Company is engaged in manufacturing of sheet metal components, Machines.

### 2. Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.1 Summary of Significant Accounting Policies

#### a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

#### b. Tangible Fixed Assets

Fixed Assets are stated at cost of acquisition (net of recoverable taxes & Government grants wherever availed) or construction or other amounts substituted for historical costs on

revaluation less accumulated depreciation. Expenses capitalized also include applicable borrowing cost.

#### c. Depreciation on Tangible Fixed Assets

- a) Depreciation on fixed assets is provided on the Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
- b) All individual items of fixed assets, where the actual cost does not exceed Rs.5,000 each have been written off entirely in the year of acquisition.

#### d. Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

#### e. Borrowing Cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessary takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### f. Impairment of Assets

An asset is treated as impaired when carrying cost of asset exceed its recoverable value. An

impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss is recognized in prior accounting period is reversed if there has been change in estimate of recoverable amount.

**g. Investments**

Long term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value.

**h. Inventories**

1. Raw Material, Stores and Spares are valued at cost on Weighted Average.
2. Work in Progress is Valued at Cost representing materials, Labour and apportioned overheads.
3. Scrap is Valued at Net Realizable Value.

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

**i. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized:

**Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the dispatch of goods.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividend Income**

Dividend income is recognized when the Company's right to receive dividend is estimated by the reporting date.

**j. Employee Benefits**

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

**k. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets & liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

**l. Retirement and Other Employee Benefits**

The Company has booked gratuity and leave encashment as per actuarial valuation as on 31.03.2014 as per AS 15 (Revised).

**m. Income Tax**

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax, being the tax effect of timing difference, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). The rates and tax laws used to compute the amount





are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**n. Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**o. Provision, Contingent Assets and Contingent Liabilities**

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 outflow of resources. Contingent liabilities are not recognized but disclosed in notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

**p. Cash and Cash Equivalents**

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand.

**q. Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss account. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance cost, and tax expenses.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

(Rs. in Lacs)

| <b>3: SHARE CAPITAL</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <u>Authorised shares</u><br>1,50,00,000 (P.Y. : 1,50,00,000) Equity shares of Rs.10/- each                                    | 1,500.00                    | 1,500.00                    |
| <u>Issued,Subscribed and Fully Paid Up Shares :</u><br>91,92,600 (P.Y. 89,92,600) Equity Shares of Rs.10/- each fully paid up | 919.26                      | 899.26                      |
| <b>Total Issued, Subscribed and fully Paid-up Share Capital</b>   | <b>919.26</b>               | <b>899.26</b>               |

6,92,940 shares out of the issued, subscribed and paid up share capital were allotted under ESOP in the last five years.

**a. Reconciliation of the number of equity shares and amount outstanding at the the end of the reporting period:**

| <b>Particular</b>                           | <b>As at 31.03.2014</b> |                    | <b>As at 31.03.2013</b> |                    |
|---|-------------------------|--------------------|-------------------------|--------------------|
|   | <b>No. in lacs</b>      | <b>Rs. In lacs</b> | <b>No. in lacs</b>      | <b>Rs. In lacs</b> |
| At the beginning of the period              | 89.92                   | 899.26             | 89.92                   | 899.26             |
| Shares issued on exercise of ESOP           | 2.00                    | 20.00              | -                       | -                  |
| <b>Outstanding at the end of the period</b> | <b>91.92</b>            | <b>919.26</b>      | <b>89.92</b>            | <b>899.26</b>      |

**b. Terms/rights attached to equity shares:**

The Company has only one class of Equity Shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shares held by each Shareholder holding more than 5% shares:**

| <b>Name of the Shareholder</b>         | <b>As at 31.03.2014</b>   |                                      | <b>As at 31.03.2013</b>   |                                      |
|--|---------------------------|--------------------------------------|---------------------------|--------------------------------------|
|  | <b>Number<br/>in lacs</b> | <b>% of holding<br/>in the class</b> | <b>Number<br/>in lacs</b> | <b>% of holding<br/>in the class</b> |
| Equity shares of Rs.10 each fully paid |                           |                                      |                           |                                      |
| Nikhil Jaysinh Merchant                | 7.80                      | 8.49%                                | 7.80                      | 8.67%                                |
| Archway Holdings Limited               | 6.70                      | 7.29%                                | 6.70                      | 7.45%                                |
| Rishi Techtex Limited                  | 5.17                      | 5.62%                                | 4.71                      | 5.24%                                |
| Harshad Bhavanbhai Patel               | 5.51                      | 5.99%                                | 4.14                      | 4.61%                                |

**d. Shares reserved for issuance under Stock Option Plans of the Company:**

The company has reserved issuance of 12,51,000 (P.Y. 14,51,000) equity shares of Rs.10 each for offering to eligible employees of the Company under ESOP. During the year the Company has granted 2,00,000 (P.Y. NIL) Options to the eligible employees.



(Rs. in Lacs)

| <b>4 : RESERVES AND SURPLUS</b>                                     | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>(a) Capital Reserve:</b>   |                             |                             |
| Opening balance   | 6.94                        | 8.35                        |
| Less: Transferred to deferred income                                | 1.41                        | 1.41                        |
|   | <b>5.53</b>                 | <b>6.94</b>                 |
| <b>(b) Security Premium Account:</b>                                |                             |                             |
| Opening balance   | 2,737.95                    | 2,737.95                    |
| Add: Premium on shares issued during the year                       | 20.00                       | --                          |
|   | 2,757.95                    | 2,737.95                    |
| Less: Writing off shares issue expenses                             | 0.20                        | -                           |
| Closing balance   | <b>2,757.75</b>             | <b>2,737.95</b>             |
| <b>(c) General Reserve:</b>   |                             |                             |
| Opening balance   | 746.41                      | 746.41                      |
| Add: Transferred from surplus in Statement of Profit & Loss account | -                           |                             |
| Closing balance   | <b>746.41</b>               | <b>746.41</b>               |
| <b>(d) Surplus / (Deficit) in Statement of Profit and Loss:</b>     |                             |                             |
| Opening balance   | 748.80                      | 742.05                      |
| Add: Profit for the year  | (1,191.99)                  | 6.75                        |
| Net surplus in the Statement of Profit & Loss                       | <b>(443.19)</b>             | <b>748.80</b>               |
| <b>Total</b>  | <b>3,066.50</b>             | <b>4,240.10</b>             |

(Rs. in Lacs)

| <b>5 : LONG TERM BORROWING</b>                     | <b>Non-Current Portion</b>  |                             | <b>Current Portion</b>      |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
| <b>(A) Term Loan From Bank</b>                     |                             |                             |                             |                             |
| Secured  | 929.00                      | 550.22                      | 294.30                      | 754.03                      |
| <b>(B) Deferred Payment Liabilities</b>            |                             |                             |                             |                             |
| Unsecured  | 274.01                      | 305.51                      | 44.40                       | 56.58                       |
| <b>(C) Loans and Advances from Related Parties</b> |                             |                             |                             |                             |
| Unsecured  | -                           | 33.87                       | 23.37                       | 50.17                       |
| <b>(D) Loans and Advances from Others</b>          |                             |                             |                             |                             |
| Secured  | 26.12                       | 24.72                       | 17.66                       | 16.57                       |
| Unsecured  | 132.65                      | 248.52                      | 115.77                      | 171.09                      |
| <b>Total</b>                                       | <b>1,361.78</b>             | <b>1,162.84</b>             | <b>495.50</b>               | <b>1,048.44</b>             |

**I) Loan from State Bank of India****(Rs. in Lacs)**

| Repayment detail  | Outstanding Amount as on 31.03.14 | Rate of interest |
|---|-----------------------------------|------------------|
| Monthly installment of Rs. 5 lakhs from Dec-14 to March -15, Rs.10 lakhs from Apr-15 to Aug-15, Rs. 12 lakhs from Sept 15 to March 16, Rs.15 lakhs from Apr-16 to Sept-16, Rs.18 lakhs from Oct-16 to March-17, Rs.18 lakhs for Apr-17, Rs.25 lakhs from May-17 to Aug-17, Rs.30 lakhs for Sept-17. | 500.94                            | 17.00%           |
| Monthly Installment of Rs.10 lakhs from Nov-14 to March-15, Rs.13 lakhs from Apr-15 to March-16, Rs.16 lakhs from Apr-16 to March-17, Rs.16 lakhs for Apr 17, Rs.17 lakhs from May-17 to Sept-17.   | 499.94                            | 17.00%           |

Above Indian Rupee term loans are secured by mortgage over Company's specific Land and Building and hypothecation of specific Plant & Machinery at Pune, Bengaluru, and Vadodara plants and personal guarantee of Managing Director of the Company.

**II) Loan from Canara Bank****(Rs.in Lacs)**

| Repayment detail  | Outstanding Amount as on 31.03.14 | Rate of interest |
|---|-----------------------------------|------------------|
| Monthly installment of Rs.14.17 Lakh each from April-14 to March-15 | 202.67                            | 15.25%           |

Above Indian Rupee term loan from Canara Bank is secured by mortgage over Company's specific Land and Building and Hypothecation of specific Plant and Machinery and other fixed assets at Kundli and Pithampur plants and personal guarantee of Managing Director of the Company.

**III) Loan from Kotak Mahindra Bank****(Rs. In Lacs)**

| Repayment detail   | Outstanding Amount as on 31.03.14 | Rate of interest |
|--|-----------------------------------|------------------|
| Monthly installment of Rs.1.30 (including interest) lakh payable from April-14 to Feb.15 | 13.24                             | 15.70%           |

This Indian Rupee loan is secured by mortgage over Company's Land at Doddaballapur (Bengaluru) and personal guarantee of the Managing Director of the Company and his spouse.

**IV) Loan from Gujarat Industrial Development Corporation****(Rs. In Lacs)**

| Repayment detail  | Outstanding Amount as on 31.03.14 | Rate of interest |
|---|-----------------------------------|------------------|
| Quarterly payment of Rs.1.76 Lakh is payable From April-14 to September-17. | 43.78                             | 14.00%           |

This Indian Rupee loan is secured by Plot No. 733 & 735 at GIDC Savli, Savli, Vadodara.

**V) Term loan for vehicles are secured against hypothecation of vehicles.**



## VI) Deferred Sales Tax is interest free loan which is repayable as under :

| Year         | Amount (Rs. In Lacs) |
|--------------|----------------------|
| 2014-15      | 86.31                |
| 2015-16      | 72.90                |
| 2016-17      | 61.94                |
| 2017-18      | 53.79                |
| 2018-19      | 34.75                |
| 2019-20      | 8.72                 |
| <b>Total</b> | <b>318.41</b>        |

(Rs. in Lacs)

| <b>6 : DEFERRED TAX LIABILITIES (NET)</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Opening balance   | 314.69                      | 373.90                      |
| <b>Add: Deferred tax liability</b>  |                             |                             |
| Provision for compensated absences, gratuity and other employee benefits                    | 12.67                       | (3.27)                      |
| <b>Less: Deferred tax assets</b>  |                             |                             |
| On difference between tax depreciation and depreciation charged for the financial reporting | 84.31                       | 55.94                       |
| <b>Total</b>  | <b>243.05</b>               | <b>314.69</b>               |

(Rs. in Lacs)

| <b>7 : LONG TERM PROVISION</b>          | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>Provision for Employee Benefits:</b> |                             |                             |
| Leave Encashment (Note : 26)            | 19.34                       | 15.14                       |
| <b>Total</b>                            | <b>19.34</b>                | <b>15.14</b>                |

(Rs. in Lacs)

| <b>8 : SHORT TERM BORROWINGS</b>      | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Loans repayable on demand – From bank |                             |                             |
| <b>Secured</b>                        | 2,626.37                    | 2,595.44                    |
| <b>Total</b>                          | <b>2,626.37</b>             | <b>2,595.44</b>             |

**Notes:****Details of security for the secured short-term borrowings:**

Working capital loan from banks are secured against exclusive hypothecation charge on present and future stocks i.e. Raw-materials, Stock in progress, Finished goods, Stores and Spares and book debts of company.

(Rs. in Lacs)

| <b>9 : TRADE PAYABLES</b>             | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Trade payables including acceptances* | 2,598.14                    | 2,706.14                    |
| <b>Total</b>                          | <b>2,598.14</b>             | <b>2,706.14</b>             |

\*Trade payable includes payable to subsidiaries of Rs.104.29 Lakhs (P.Y Rs.45.73 Lakhs) and payable to associates of Rs.48.88 Lakhs (P.Y. Rs.0.09 Lakhs)

(Rs. in Lacs)

| <b>10 : OTHER CURRENT LIABILITIES</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Current maturities of long term debt  | 495.50                      | 1,048.44                    |
| Advance from customers                | 94.67                       | 73.62                       |
| Interest free deposits from customers | 22.39                       | 12.76                       |
| Other liabilities                     | 181.26                      | 120.17                      |
| Creditors for capital expenditure     | 122.84                      | 100.30                      |
| <b>Total</b>                          | <b>916.66</b>               | <b>1,355.29</b>             |

(Rs. in Lacs)

| <b>11 : SHORT TERM PROVISIONS</b>                  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>(a) Provision for employee benefits:</b>        |                             |                             |
| (i) Provision for bonus                            | 25.48                       | 18.70                       |
| (ii) Provision for leave encashment                | 5.05                        | 5.05                        |
| (iii) Provision for Gratuity                       | 81.36                       | 51.58                       |
| (iv) Employer contribution to PF                   | -                           | 4.12                        |
| (v) Employer contribution to ESIC                  | 0.50                        | 1.06                        |
|  | <b>112.39</b>               | <b>80.51</b>                |
| <b>(b) Provision - Others:</b>                     |                             |                             |
| (i) Provision for tax (net of advance tax and TDS) |                             |                             |
| Provision for tax                                  | 186.89                      | 185.61                      |
| Less:  |                             |                             |
| Advance tax payment                                | 65.00                       | 65.00                       |
| TDS receivable                                     | 125.35                      | 102.49                      |
|  | <b>(3.46)</b>               | <b>18.12</b>                |
| (ii) Proposed dividend                             | -                           |                             |
| (iii) Tax on Proposed dividend                     | -                           |                             |
| (iv) Others  | 101.14                      | 70.46                       |
| <b>Total</b>                                       | <b>210.07</b>               | <b>169.09</b>               |


**12 : FIXED ASSETS**
**(Rs. in Lacs)**

| Description                 | Gross Block              |               |              |                          | Depreciation/Amortization |               |                         |                          | Net Block        |                  |
|-----------------------------|--------------------------|---------------|--------------|--------------------------|---------------------------|---------------|-------------------------|--------------------------|------------------|------------------|
|                             | Balance as at 01/04/2013 | Additions     | Disposals    | Balance as at 31/03/2014 | Balance as at 01/04/2013  | For the Year  | Deduction/ Adjust-ments | Balance as on 31/03/2014 | As on 31/03/2014 | As on 31/03/2013 |
| <b>1. Tangible Assets</b>   |                          |               |              |                          |                           |               |                         |                          |                  |                  |
| Free Hold Land              | 286.82                   | 0.00          | 31.96        | 254.86                   | 0.00                      | 0.00          | 0.00                    | 0.00                     | 254.86           | 286.82           |
| Lease Hold Land             | 221.09                   | 0.00          | 0.00         | 221.09                   | 0.00                      | 0.00          | 0.00                    | 0.00                     | 221.09           | 221.09           |
| Factory Building            | 1,675.14                 | 9.05          | 0.00         | 1,684.19                 | 344.00                    | 54.62         | 0.00                    | 398.62                   | 1,285.57         | 1,331.14         |
| Plant & Machinery           | 7,726.26                 | 111.45        | 34.99        | 7,802.72                 | 4,091.00                  | 723.61        | 1.64                    | 4,812.97                 | 2,989.75         | 3,635.26         |
| Electrical Installation     | 279.68                   | 4.28          | 0.00         | 283.96                   | 152.98                    | 25.49         | 0.00                    | 178.47                   | 105.49           | 126.70           |
| Tools & Dies                | 302.04                   | 10.12         | 0.00         | 312.16                   | 113.61                    | 23.61         | 0.27                    | 136.95                   | 175.21           | 188.43           |
| Furniture                   | 141.64                   | 6.37          | 3.98         | 144.03                   | 55.44                     | 7.77          | 1.14                    | 62.07                    | 81.96            | 86.20            |
| Fixtures                    | 11.16                    | 0.00          | 0.00         | 11.16                    | 3.92                      | 0.71          | 0.00                    | 4.63                     | 6.53             | 7.24             |
| Office Equipments           | 63.76                    | 4.38          | 0.14         | 68.00                    | 20.72                     | 3.98          | 0.04                    | 24.66                    | 43.34            | 43.04            |
| Computers                   | 130.94                   | 4.76          | 0.00         | 135.70                   | 113.17                    | 13.18         | 0.00                    | 126.35                   | 9.35             | 17.77            |
| Vehicles                    | 120.92                   | 0.00          | 10.67        | 110.25                   | 45.90                     | 10.94         | 6.92                    | 49.92                    | 60.33            | 75.02            |
| <b>Sub total</b>            | <b>10,959.45</b>         | <b>150.41</b> | <b>81.74</b> | <b>11,028.12</b>         | <b>4,940.74</b>           | <b>863.91</b> | <b>10.01</b>            | <b>5,794.64</b>          | <b>5,233.48</b>  | <b>6,018.71</b>  |
| <b>2. Intangible Assets</b> |                          |               |              |                          |                           |               |                         |                          |                  |                  |
| Softwares                   | 61.52                    | 0.00          | 0.00         | 61.52                    | 45.05                     | 9.15          | 0.00                    | 54.20                    | 7.32             | 16.47            |
| <b>Sub total</b>            | <b>61.52</b>             | <b>0.00</b>   | <b>0.00</b>  | <b>61.52</b>             | <b>45.05</b>              | <b>9.15</b>   | <b>0.00</b>             | <b>54.20</b>             | <b>7.32</b>      | <b>16.47</b>     |
| <b>Grand Total</b>          | <b>11,020.97</b>         | <b>150.41</b> | <b>81.74</b> | <b>11,089.64</b>         | <b>4,985.79</b>           | <b>873.06</b> | <b>10.01</b>            | <b>5,848.84</b>          | <b>5,240.80</b>  | <b>6,035.18</b>  |
| Previous year               | 10,630.68                | 813.24        | 422.94       | 11,020.97                | 4,170.21                  | 883.66        | 68.08                   | 4,985.79                 | 6,035.18         | -                |

**(Rs. in Lacs)**

| <b>13 : NON-CURRENT INVESTMENTS</b>   | <b>As at 31.03.2014</b> | <b>As at 31.03.2013</b> |
|---|-------------------------|-------------------------|
| <b>Non-trade investments (valued at cost unless stated otherwise)</b>   |                         |                         |
| <b>Investment in Equity Instruments: (unquoted)</b>   |                         |                         |
| 4,980 (P.Y. 4,980) Equity Shares of Rs.10/- each fully paid up in Lotus Fabrication Pvt. Ltd.                             | 0.50                    | 0.50                    |
| 27,000 (P.Y.27,000) Equity Shares of Rs.10/- each fully paid up in Centennial Finance Ltd.                                | 2.70                    | 2.70                    |
| 25 (P.Y. 25) Equity Shares of Rs.100/- each fully paid up in Cosmos Co-Op. Bank Ltd.                                      | 0.03                    | 0.03                    |
| 4,00,000 (P.Y.4,00,000) equity shares of Rs.10 each fully paid in Centennial Fabrics Ltd.                                 | 40.00                   | 40.00                   |
| <b>Investment in Equity Instruments of Subsidiary Company: (unquoted)</b>   |                         |                         |
| 76,96,000 (P.Y.76,96,000) Equity Shares of Rs.10/- each fully paid up in Rishi Consfab Pvt. Ltd.                          | 769.60                  | 769.60                  |
| <b>Investment in Equity Instruments of Associate Company: (unquoted)</b>  |                         |                         |
| 4,900 (P.Y.4,900) Equity Shares of Rs.10/- each fully paid up in Rishi Vocational Education Pvt. Ltd. - Unquoted          | 0.49                    | 0.49                    |
| <b>Investment in Equity Instruments of Associate Company: (quoted)</b>  |                         |                         |
| 3,01,347 (P.Y.3,01,347) Equity Shares of Rs.10 each in Rishi Techtex Ltd. [Market Value: Rs.7.23 Lakhs (P.Y.28.39 Lakhs)] | 79.53                   | 79.52                   |
| <b>Total</b>  | <b>892.85</b>           | <b>892.84</b>           |

(Rs. in Lacs)

| <b>14 : LONG TERM LOANS AND ADVANCES</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>Security Deposits</b>                 |                             |                             |
| Unsecured, considered good               | 199.04                      | 266.82                      |
| <b>Total</b>                             | <b>199.04</b>               | <b>266.82</b>               |

(Rs. in Lacs)

| <b>15 : INVENTORIES</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| (a) Raw materials (valued at cost on Weighted Average)  | 516.28                      | 604.41                      |
| (b) Work-in-progress<br>(Valued at Cost representing materials, labour and apportioned overheads) | 1,181.53                    | 1,120.46                    |
| (c) Stores and spares (valued at cost on Weighted Average)  | 164.06                      | 156.14                      |
| <b>Total</b>  | <b>1,861.87</b>             | <b>1,881.01</b>             |

(Rs. in Lacs)

| <b>16 : TRADE RECEIVABLES</b>          | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>(Unsecured and considered good)</b> |                             |                             |
| Over six months                        | 1,144.22                    | 1,118.85                    |
| Others*                                | 1,882.15                    | 2,456.40                    |
| <b>Total</b>                           | <b>3,026.37</b>             | <b>3,575.25</b>             |

\*Other trade receivables includes receivables from subsidiaries of Rs.163.02 Lacs (P.Y.41.92 Lacs) and receivables from associates of Rs.28.19 Lacs (P.Y. Rs.61.61 Lacs).

(Rs. in Lacs)

| <b>17 : CASH AND CASH EQUIVALENTS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| (a) Cash on hand                      | 4.52                        | 8.00                        |
| (b) Balances with banks               |                             |                             |
| In current accounts                   | 3.46                        | 23.08                       |
| In margin & deposit money accounts    | 84.08                       | 140.88                      |
| <b>Total</b>                          | <b>92.06</b>                | <b>171.96</b>               |





(Rs. in Lacs)

| <b>18 : SHORT TERM LOANS AND ADVANCES</b>  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>(a) Loans and Advances to Related Parties</b><br>Unsecured, considered good (Refer Note 27) | 26.18                       | 23.44                       |
| <b>(b) Prepaid Expenses</b>  | 41.23                       | 52.26                       |
| <b>(c) Balances with Government Authorities</b><br>Unsecured, considered good                  |                             |                             |
| (i) CENVAT credit  | 40.47                       | 54.58                       |
| (ii) VAT credit  | 0.04                        | 0.05                        |
| (iii) Service Tax credit   | 80.53                       | 104.25                      |
| (iv) Balance with custom, excise etc.  | 12.70                       | 14.12                       |
|  | <b>133.74</b>               | <b>173.00</b>               |
| <b>(d) Others</b><br><b>Unsecured, Considered Good</b>   |                             |                             |
| Advance recoverable in cash or kind or for value to be received                                | 78.57                       | 48.83                       |
| Others   | 37.75                       | 62.94                       |
|  | <b>116.32</b>               | <b>111.77</b>               |
| <b>Total</b>   | <b>317.47</b>               | <b>360.47</b>               |

(Rs. in Lacs)

| <b>19 : REVENUE FROM OPERATIONS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Sale of products                    | 11,338.31                   | 15,174.84                   |
| Sale of services                    | 16.08                       | 14.78                       |
|                                     | <b>11,354.39</b>            | <b>15,189.62</b>            |
| Less:                               |                             |                             |
| Excise duty/Service tax recovered   | 1,011.36                    | 1,485.65                    |
| <b>Total</b>                        | <b>10,343.03</b>            | <b>13,703.97</b>            |

(Rs. in Lacs)

| <b>20 : OTHER INCOME</b>  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>Interest Income on:</b>  |                             |                             |
| Bank deposits   | 10.93                       | 15.84                       |
| Others  | 10.76                       | 7.73                        |
|   | <b>21.69</b>                | <b>23.57</b>                |
| <b>Dividend Income on:</b>  |                             |                             |
| Long term investments - Non-trade   | 0.02                        | 0.35                        |
| <b>Others:</b>  |                             |                             |
| Profit on sale of assets  | (3.41)                      | 550.72                      |
| Net profit / (loss) on foreign currency transactions and translation<br>(other than considered as finance cost) | (9.90)                      | 1.70                        |
| Others  | 9.90                        | 13.87                       |
|   | <b>(3.41)</b>               | <b>566.29</b>               |
| <b>Total</b>  | <b>18.30</b>                | <b>590.21</b>               |

(Rs. in Lacs)

| <b>21 : COST OF MATERIAL CONSUMED</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Opening stock                         | 604.41                      | 784.60                      |
| Add: Purchases                        | 5,889.93                    | 7,646.32                    |
|                                       | <b>6,494.34</b>             | <b>8,430.92</b>             |
| Less: Closing stock                   | 516.28                      | 604.41                      |
| <b>Cost of material consumed</b>      | <b>5,978.06</b>             | <b>7,826.51</b>             |

(Rs. in Lacs)

| <b>22 : CHANGES IN INVENTORIES OF FINISHED GOODS,<br/>WORK-IN-PROGRESS AND STOCK IN TRADE</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Inventories at the end of the year:<br>Work-in-progress                                       | 1,181.53                    | 1,120.46                    |
| Inventories at the beginning of the year:<br>Work-in-progress                                 | 1,120.46                    | 1,327.07                    |
| <b>Net (increase) / decrease</b>  | <b>(61.07)</b>              | <b>206.61</b>               |

(Rs. in Lacs)

| <b>23 : EMPLOYEE BENEFIT EXPENSES</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Salaries, wages and bonus             | 1,838.57                    | 1,902.87                    |
| Contribution to provident fund        | 56.08                       | 53.26                       |
| Gratuity Expenses                     | 30.79                       | 3.02                        |
| Other post Employment funds           | 22.51                       | 24.48                       |
| Workmen and staff welfare expenses    | 56.65                       | 54.61                       |
| <b>Total</b>                          | <b>2,004.60</b>             | <b>2,038.24</b>             |

(Rs. in Lacs)

| <b>24 : OTHER EXPENSES</b>                  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Consumable stores and spare parts           | 464.71                      | 570.50                      |
| Power and fuel                              | 430.22                      | 530.84                      |
| Rent including lease rentals                | 101.77                      | 129.37                      |
| Repairs and maintenance - Plant & Machinery | 53.52                       | 74.86                       |
| Repairs and maintenance - Building          | 6.11                        | 17.03                       |
| Repairs and maintenance - Others            | 35.16                       | 36.50                       |
| Insurance                                   | 7.78                        | 6.78                        |
| Rates and taxes                             | 17.80                       | 12.40                       |
| Directors' sitting fees                     | 0.45                        | 0.28                        |
| Communication                               | 26.33                       | 27.25                       |
| Travelling and conveyance                   | 131.14                      | 116.54                      |
| Printing and stationery                     | 18.39                       | 20.36                       |
| Donations and contributions                 | 0.93                        | 0.65                        |
| Legal and professional                      | 94.52                       | 102.90                      |
| Payments to auditors (Refer Note below)     | 5.14                        | 5.10                        |



|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| Factory expenses                 | 13.13           | 17.41           |
| Gas cylinder rent                | 13.18           | 21.30           |
| Processing charges               | 455.46          | 533.87          |
| Advertisement expenses           | 4.10            | 1.82            |
| Security charges                 | 61.37           | 64.40           |
| Training expenses                | 5.80            | 7.72            |
| Selling and distribution expense | 136.44          | 150.44          |
| Net loss on sale of investments  | 0.00            | 0.00            |
| Prior period items               | 0.00            | -1.12           |
| Miscellaneous expenses           | 56.29           | 36.19           |
| <b>Total</b>                     | <b>2,139.74</b> | <b>2,483.39</b> |

**Notes:**
**(Rs. in Lacs)**

| Particulars                                | As at<br>31.03.2014 | As at<br>31.03.2013 |
|--|---------------------|---------------------|
| <b>Payments to the Auditors Comprises:</b> |                     |                     |
| As auditors - statutory audit              | 2.00                | 2.00                |
| As auditors - tax audit                    | 1.50                | 1.50                |
| Certificate and consultancy charges        | 1.50                | 1.50                |
| Reimbursement of expenses                  | 0.14                | 0.10                |
| <b>Total</b>                               | <b>5.14</b>         | <b>5.10</b>         |

**(Rs. in Lacs)**

| <b>25 : FINANCE COST</b> | As at<br>31.03.2014 | As at<br>31.03.2013 |
|--------------------------|---------------------|---------------------|
| Interest                 | 631.67              | 817.68              |
| Other borrowing cost     | 58.90               | 90.55               |
| <b>Total</b>             | <b>690.57</b>       | <b>908.23</b>       |

**(Rs. in Lacs)**

| <b>26A : GRATUITY AND OTHER<br/>POST EMPLOYMENT BENEFIT PLAN</b>          | <b>Leave Encashment</b> |                     | <b>Gratuity</b>     |                     |
|---|-------------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014     | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Current service cost  | 8.70                    | 8.76                | 14.86               | 12.44               |
| Interest cost   | 1.62                    | 1.95                | 5.63                | 5.51                |
| Actual return on plan assets  | 0.00                    | 0.00                | 0.84                | 1.64                |
| Actuarial losses/(gains)  | 4.48                    | (9.05)              | 11.14               | (13.29)             |
| <b>Total expense recognized in the Statement<br/>of Profit &amp; Loss</b> | <b>14.80</b>            | <b>1.66</b>         | <b>30.79</b>        | <b>3.02</b>         |

(Rs. in Lacs)

| 26B : NET ASSETS/LIABILITY<br>RECOGNIZED IN THE BALANCE SHEET | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Present value of defined benefit obligation                   | 24.39               | 20.19               | 91.22               | 70.44               |
| Fair value of plan assets                                     | 0.00                | 0.00                | 9.86                | 18.86               |
| Unfunded liability  | 24.39               | 20.19               | 81.36               | 51.58               |
| Unrecognized past service costs                               | 0.00                | 0.00                | 0.00                | 0.00                |
| <b>Unfunded Liability Recognized in the<br/>Balance Sheet</b> | <b>24.39</b>        | <b>20.19</b>        | <b>81.36</b>        | <b>51.58</b>        |

(Rs. in Lacs)

| 26C : CHANGE IN DEFINED<br>BENEFIT OBLIGATION DURING THE YEAR | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Present value of PBO at beginning of the year                 | 20.19               | 24.41               | 70.44               | 68.83               |
| Current service cost  | 8.70                | 8.76                | 14.86               | 12.44               |
| Interest cost   | 1.61                | 1.95                | 5.63                | 5.51                |
| Benefits paid   | 10.59               | 5.88                | 10.85               | 3.05                |
| Actuarial (gains) / losses                                    | 4.48                | (9.05)              | 11.14               | (13.29)             |
| Present value of PBO at the end of the year                   | <b>24.39</b>        | <b>20.19</b>        | <b>91.22</b>        | <b>70.44</b>        |

(Rs. in Lacs)

| 26D : CHANGE IN PLAN ASSETS                               | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Fair value of plan assets at the beginning<br>of the year | Nil                 | Nil                 | 18.86               | 20.27               |
| Actual return on plan assets                              | N.A.                | N.A.                | 0.84                | 1.64                |
| Employer's contribution                                   | N.A.                | N.A.                | Nil                 | Nil                 |
| Benefits paid during the period                           | N.A.                | N.A.                | 9.84                | 3.05                |
| Fair value of plan assets at year end                     | Nil                 | Nil                 | 9.86                | 18.86               |

(Rs. in Lacs)

| 26E : ACTUARIAL ASSUMPTION     | Leave Encashment                                   |                           | Gratuity   |                           |
|--------------------------------|--|---------------------------|--|---------------------------|
|                                | As at<br>31.03.2014                                | As at<br>31.03.2013       | As at<br>31.03.2014                                | As at<br>31.03.2013       |
| Discount rate                  | 8% p.a.  | 8% p.a.                   | 8% p.a.  | 8% p.a.                   |
| Expected return on plan assets | N.A.   | N.A.                      | 4.92% p.a.   | 8.72% p.a.                |
| Salary escalation              | 5% p.a.  | 5% p.a.                   | 5% p.a.  | 5% p.a.                   |
| Mortality tables               | Indian Assured<br>Lives Mortality<br>(2006-08) Ult | LIC (1994-96)<br>ultimate | Indian Assured<br>Lives Mortality<br>(2006-08) Ult | LIC (1994-96)<br>ultimate |

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.



2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**27 : RELATED PARTY DISCLOSURE**
**Details of Related Parties:**

| Description of Relationship           | Names of Related Parties   |
|---------------------------------------|--|
| Subsidiary                            | Rishi Consfab Pvt. Ltd.  |
| Related parties                       | Rishi Techtex Ltd.<br>Rishi Vocational Education Pvt. Ltd.<br>Total Schweissttechnik Pvt. Ltd.<br>Krishak Saaj Pvt. Ltd. |
| <b>Key Management Personnel (KMP)</b> | - Mr. Harshad B. Patel<br>- Mr. Jayesh K. Sheth<br>- Mr. Dinesh Mehta<br>- Mr. Vasant D. Goray                           |

**(Rs. in Lacs)**

|  | Associate | Subsidiary | KMP     | Total    |
|--|-----------|------------|---------|----------|
| <b>Purchase of Goods</b>               |           |            |         |          |
| - Rishi Consfab Pvt. Ltd.              |           | 66.38      | -       | 66.38    |
|  |           | (147.11)   | -       | (147.11) |
| - Rishi Techtex Ltd.                   | 0.57      |            | -       | 0.57     |
|  | 0.00      |            | -       | 0.00     |
| <b>Sale of Goods</b>                   |           |            |         |          |
| - Rishi Consfab Pvt. Ltd.              |           | 128.70     | -       | 128.70   |
|  |           | (164.82)   | -       | (164.82) |
| - Interest Received                    |           | 4.49       |         | 4.49     |
|  |           | 0.00       |         | 0.00     |
| - Rishi Techtex Ltd.                   | 0.00      |            | -       | 0.00     |
|  | (57.04)   |            | -       | (57.04)  |
| - Total Schweissttechnik Pvt. Ltd.     |           | 44.68      | -       | 44.68    |
|  |           | 0.00       | -       | 0.00     |
| <b>Rendering of Services</b>           |           |            |         |          |
| - Rishi Consfab Pvt. Ltd.              |           | 15.54      | -       | 15.54    |
|  |           | (13.15)    | -       | (13.15)  |
| <b>Sale of Fixed Assets</b>            |           |            |         |          |
| - Rishi Consfab Pvt. Ltd.              |           | 37.68      | -       | 37.68    |
|  |           | (5.57)     | -       | (5.57)   |
| - Rishi Techtex Ltd.                   | 0.00      | -          | -       | 0.00     |
|  | (0.40)    | -          | -       | (0.40)   |
| <b>Professional Fees Paid</b>          |           |            |         |          |
| - Rishi Vocational Education Pvt. Ltd. | 0.18      | -          | -       | 0.18     |
|  | 0.00      | -          | -       | 0.00     |
| <b>Interest Paid</b>                   |           |            |         |          |
| - Harshad B. Patel                     |           | -          | 8.19    | 8.19     |
|  |           | -          | (15.57) | (15.57)  |
| <b>Rent Received</b>                   |           |            |         |          |
| -Rishi Techtex Ltd.                    | 1.60      | -          | -       | 1.60     |
|  | (2.40)    | -          | -       | (2.40)   |

|   |         |          |         |          |
|---|---------|----------|---------|----------|
| - Total Schweisstechnik Pvt. Ltd.                   |         | 1.92     |         | 1.92     |
|   |         | -        |         | 0.00     |
| <b>Rent Paid</b>                                    |         |          |         |          |
| - Harshad B. Patel                                  | -       | -        | 4.32    | 4.32     |
|   | -       | -        | (3.84)  | (3.84)   |
| <b>Remuneration, Commission and Sitting Fees</b>    |         |          |         |          |
| - Mr. Harshad B. Patel                              | -       | -        | 44.09   | 44.09    |
|   | -       | -        | (44.34) | (44.34)  |
| - Mr. Jayesh K. Sheth                               | -       | -        | 0.10    | 0.10     |
|   | -       | -        | (0.05)  | (0.05)   |
| - Mr. Vandan Shah                                   | -       | -        | 0.13    | 0.13     |
|   | -       | -        | (0.08)  | (0.08)   |
| - Mr. Dinesh Mehta                                  | -       | -        | 0.10    | 0.10     |
|   | -       | -        | (0.05)  | (0.05)   |
| - Mr. Vasant D. Goray                               | -       | -        | 0.13    | 0.13     |
|   | -       | -        | (0.10)  | (0.10)   |
| <b>Balances Outstanding at the End of the Year:</b> |         |          |         |          |
| <b>Investments</b>                                  |         |          |         |          |
| - Rishi Consfab Pvt. Ltd.                           | -       | 769.60   | -       | 769.60   |
|   | -       | (769.60) | -       | (769.60) |
| - Rishi Vocational Education Pvt. Ltd               | 0.49    | -        | -       | 0.49     |
|   | (0.49)  | -        | -       | (0.49)   |
| - Rishi Tectex Ltd.                                 | 79.53   | -        | -       | 79.53    |
|   | (79.53) | -        | -       | (79.53)  |
| <b>Trade Receivables</b>                            |         |          |         |          |
| - Rishi Consfab Pvt. Ltd.                           |         | 163.02   | -       | 163.02   |
|   |         | (41.92)  | -       | (41.92)  |
| - Rishi Tectex Ltd.                                 | 21.41   | -        | -       | 21.41    |
|   | (61.61) | -        | -       | (61.61)  |
| - Total Schweisstechnik Pvt. Ltd.                   | 6.78    | -        | -       | 6.78     |
|   | 0.00    | -        | -       | 0.00     |
| <b>Loans and Advances</b>                           |         |          |         |          |
| - Rishi Vocational Education Pvt. Ltd.              | 26.18   | -        | -       | 26.18    |
|   | (23.58) | -        | -       | (23.58)  |
| - Kirshak Saaj Pvt. Ltd.                            | 8.95    | -        | -       | 8.95     |
|   | 0.00    | -        | -       | 0.00     |
| <b>Trade Payables</b>                               |         |          |         |          |
| - Rishi Consfab Pvt. Ltd.                           | -       | 104.29   | -       | 104.29   |
|   | -       | (45.73)  | -       | (45.73)  |
| - Rishi Tectex Ltd.                                 | 48.88   | -        | -       | 48.88    |
|   | (0.09)  | -        | -       | (0.09)   |
| <b>Borrowings</b>                                   |         |          |         |          |
| - Rishi Consfab Pvt. Ltd.                           | -       | 66.31    | -       | 66.31    |
|   | -       | (25.86)  | -       | (25.86)  |

Note: Figures in bracket relates to the previous year.



| <b>28: EARNING PER SHARE (EPS)</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| (i) Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders (Rs. In Lacs) | (1,191.99)                  | 6.75                        |
| (ii) Weighted average number of equity shares used as denominator for calculating EPS (Numbers in Lacs)        | 91.55                       | 89.93                       |
| (iii) Basic EPS (in Rs.)   | (13.02)                     | 0.08                        |
| (iv) Diluted EPS (in Rs.)  | (13.02)                     | 0.08                        |
| (v) Face value per equity share (in Rs.)   | 10.00                       | 10.00                       |

(Rs. in Lacs)

| <b>29: EARNING IN FOREIGN EXCHANGE</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| FOB value of exports                   | 674.87                      | 224.50                      |
|  | <b>674.87</b>               | <b>224.50</b>               |

(Rs. in Lacs)

| <b>30: EXPENDITURE IN FOREIGN CURRENCY</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| Foreign tour – Staff                       | 1.08                        | 1.20                        |
| Foreign tour – Directors                   | 2.35                        | 0.34                        |
|  | <b>3.43</b>                 | <b>1.54</b>                 |

(Rs. in Lacs)

| <b>31: VALUE OF IMPORTS CALCULATED ON CIF BASIS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Capital goods                                       | 0.00                        | 65.65                       |
| Components & Spare parts                            | 26.57                       | 17.90                       |
| Raw Material  | -                           | -                           |
|   | <b>26.57</b>                | <b>83.55</b>                |

(Rs. in Lacs)

| <b>32: IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED</b> | <b>As at<br/>31.03.2014<br/>%</b> | <b>As at<br/>31.03.2014<br/>Rs.</b> | <b>As at<br/>31.03.2013<br/>%</b> | <b>As at<br/>31.03.2013<br/>Rs.</b> |
|---|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| Raw material - Indigenous   | 100.00                            | 5,978.06                            | 100.00                            | 7,826.51                            |
| Raw Material - Imported   | 0.00                              | 0.00                                | 0.00                              | 0.00                                |
|   | <b>100.00</b>                     | <b>5,978.06</b>                     | <b>100.00</b>                     | <b>7,826.51</b>                     |
| Spare & Components  |                                   |                                     |                                   |                                     |
| Indigenous  | 71.95                             | 334.36                              | 86.15                             | 491.47                              |
| Imported  | 28.05                             | 130.35                              | 13.85                             | 79.03                               |
|   | <b>100.00</b>                     | <b>464.71</b>                       | <b>100.00</b>                     | <b>570.50</b>                       |

### **33: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**

Pursuant to the Micro, Small and Medium Enterprise Development Act. 2006, the Company had asked for confirmation from its vendors regarding their status under the said Act. The Company is yet to receive verifiable confirmations from the vendors and hence the amounts unpaid as at the year end together with interest payable if any, under this Act have not been given.

**34 : CONTINGENT LIABILITIES**

- (i) Guarantee given by banks on behalf of company Rs.41,88,215
- (ii) Letter of credit Rs.1,91,67,115
- (iii) Claims against the company not acknowledged as debt includes demand from Central Excise & Service Tax Authorities for payment of balance amount of Custom Duty and other duties together with Penalty of Rs. 68.24 lakh plus Interest, if any, for scrap clearance in Domestic Tariff Area in excess of 50% of FOB value of exports for the Financial Year 2007-08 to 30 June 2011 from EOU Unit. The company has gone into appeal before the Commissioner of Central Excise & Customs (Appeals), Pune III contesting the demand and the management is of the view that the demand will not stand in the appellate process. The management believes that the ultimate outcome of the legal proceedings will not have any material adverse impact on its financial and operating position.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.**

| Sr. No. | Name of Company         | Financial Year Ended | Extent of interest of the Holding Company in the capital of Subsidiary | No. of Shares held by Company directly or through its Subsidiary | Net aggregate of the profit or losses of the Subsidiary for the current period so far as it concerns the members of the Holding Company |   | Net aggregate of the profit or losses for previous financial years of the Subsidiary so far as it concerns the members of the Holding Company |   |
|---------|-------------------------|----------------------|--|--|---|---|---|---|
|         |                         |                      |  |  | not dealt with or provided for in the accounts of Holding Company   | dealt with or provided for in the accounts of Holding Company | not dealt with or provided for in the accounts of Holding Company   | dealt with or provided for in the accounts of Holding Company |
| 1       | Rishi Consfab Pvt. Ltd. | 31.03.2014           | 74%  | 76,96,000  | Rs.(163.38) lacs  | Nil   | N. A.   | N.A.  |

**For Rishi Laser Limited**

As per our report of even date  
**For Alladi Krishnan & Kumar**  
**Firm's Registration No.100282W**  
Chartered Accountants

**Ajit S. Datar**  
**Partner**  
Membership No.036274  
Place: Mumbai  
Date : 29th May, 2014

**Chairman**  
Harshad B. Patel

**Directors**  
Vasant D. Goray  
Jayesh K. Sheth  
Dinesh Mehta

**Company Secretary**  
Supriya Joshi





## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED ACCOUNTS

To,  
The Board of Directors of  
Rishi Laser Limited

### **Report on Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of Rishi Laser Limited and its Subsidiary (collectively referred to as "the Group"), which comprises the Consolidated Balance Sheet as at 31<sup>st</sup> March 2014, the Consolidated Statement of Profit And Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our

audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements are free of material misstatement.

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

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

**Opinion**

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

(i) In the case of Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2014;

- (ii) In the case of Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date; and
- (iii) In the case of the Consolidated Cash Flow Statement, of the cash flow of the group for the year ended on that date.

**For ALLADI KRISHNAN AND KUMAR  
(Chartered Accountants)  
Firm's Registration No.100282W**

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

**AJIT S. DATAR  
(PARTNER)  
Membership No. 036274**



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

| Particulars                         | Note | (Rs. in Lacs)    |                  |
|-------------------------------------|------|------------------|------------------|
|                                     |      | 31.03.2014       | 31.03.2013       |
| <b>EQUITY &amp; LIABILITIES</b>     |      |                  |                  |
| <b>Shareholders' Funds</b>          |      |                  |                  |
| Share Capital                       | 3    | 919.26           | 899.26           |
| Reserves & Surplus                  | 4    | 2,707.10         | 4,051.86         |
|                                     |      | <b>3,626.36</b>  | <b>4,951.12</b>  |
| <b>Minority Interest</b>            |      |                  |                  |
|                                     |      | <b>207.68</b>    | <b>265.08</b>    |
| <b>Non-Current Liabilities</b>      |      |                  |                  |
| Long-Term Borrowings                | 5    | 1,362.47         | 1,369.76         |
| Deferred Tax Liabilities (net)      | 6    | 307.16           | 382.09           |
| Long-Term Provisions                | 7    | 23.35            | 18.08            |
|                                     |      | <b>1,692.98</b>  | <b>1,769.93</b>  |
| <b>Current Liabilities</b>          |      |                  |                  |
| Short-Term Borrowings               | 8    | 3,055.64         | 3,036.63         |
| Trade Payables                      | 9    | 2,909.32         | 2,929.17         |
| Other Current Liabilities           | 10   | 1,166.18         | 1,610.80         |
| Short-Term Provisions               | 11   | 220.53           | 180.14           |
|                                     |      | <b>7,351.67</b>  | <b>7,756.74</b>  |
| <b>TOTAL</b>                        |      | <b>12,878.69</b> | <b>14,742.87</b> |
| <b>ASSETS</b>                       |      |                  |                  |
| <b>Non-Current Assets</b>           |      |                  |                  |
| Fixed Assets                        |      |                  |                  |
| Tangible Assets                     | 12   | 6,406.65         | 7,329.49         |
| Intangible Assets                   | 12   | 8.05             | 17.23            |
| Capital Work-in-Progress            |      | 312.70           | 256.46           |
| Intangible Assets Under Development |      | 28.51            | 28.51            |
|                                     |      | <b>6,755.91</b>  | <b>7,631.69</b>  |
| Non-Current Investments             | 13   | <b>123.25</b>    | <b>123.24</b>    |
| Long-Term Loans and Advances        | 14   | <b>246.53</b>    | <b>292.50</b>    |
| <b>Current Assets</b>               |      |                  |                  |
| Inventories                         | 15   | 2,226.91         | 2,187.04         |
| Trade Receivable                    | 16   | 3,077.40         | 3,877.99         |
| Cash and Cash Equivalents           | 17   | 98.72            | 173.95           |
| Short-Term Loans and Advances       | 18   | 349.97           | 456.46           |
|                                     |      | <b>5,753.00</b>  | <b>6,695.44</b>  |
| <b>Total</b>                        |      | <b>12,878.69</b> | <b>14,742.87</b> |

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of Consolidated Financial Statements.

As per our report of even date  
**For Alladi Krishnan & Kumar**  
 Firm's Registration No.100282W  
 Chartered Accountants

**Ajit S. Datar**  
 Partner  
 Membership No.036274  
 Place: Mumbai  
 Date : 29<sup>th</sup> May, 2014

**For Rishi Laser Limited**

**Chairman**  
 Harshad B. Patel

**Company Secretary**  
 Supriya Joshi

**Directors**  
 Vasant D. Goray  
 Jayesh K. Sheth  
 Dinesh Mehta

**CONSOLIDATED STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED 31ST MARCH 2014**

Rs. in Lacs

| Particulars   | Note | 31.03.2014        | 31.03.2013       |
|---|------|-------------------|------------------|
| <b>INCOME</b>   |      |                   |                  |
| Revenue from Operations (gross)   | 19   | 13,446.06         | 18,373.22        |
| Less: Excise Duty   | 19   | <u>1,252.69</u>   | <u>1,851.54</u>  |
| Revenue from Operations (net)   |      | 12,193.37         | 16,521.68        |
| Other Income  | 20   | <u>7.39</u>       | <u>591.60</u>    |
| <b>Total Revenue (i)</b>  |      | <b>12,200.76</b>  | <b>17,113.28</b> |
| <b>EXPENSES</b>   |      |                   |                  |
| Cost of Material Consumed   | 21   | 7,318.39          | 9,816.88         |
| Changes in Inventories of Finished Goods,<br>Work-in-progress and Stock-in-Trade  | 22   | (112.33)          | 163.28           |
| Employee Benefits Expenses  | 23   | 2,259.04          | 2,330.47         |
| Other Expenses  | 24   | <u>2,363.15</u>   | <u>2,847.80</u>  |
| <b>Total Expenses (ii)</b>  |      | <b>11,828.25</b>  | <b>15,158.43</b> |
| <b>Earnings Before Exceptional Items,<br/>Extraordinary Items, Interest, Tax,<br/>Depreciation and Amortization (EBITDA) (i - ii)</b> |      |                   |                  |
| Finance Costs   | 25   | <b>821.91</b>     | 1,082.60         |
| Depreciation and Amortization Expense   |      | <b>1,046.08</b>   | 1,048.09         |
| Extra ordinary item   |      | -                 | -                |
| Tax on extra ordinary item  |      | -                 | -                |
| <b>Profit /(Loss) before tax</b>  |      | <b>(1,495.48)</b> | <b>(175.84)</b>  |
| <b>Tax expenses</b>   |      |                   |                  |
| Current Tax   |      | -                 | -                |
| Deferred Tax  |      | <u>(74.92)</u>    | <u>(54.74)</u>   |
| <b>Profit/(Loss) for the year (before adjustment for<br/>Minority Interest)</b>   |      | <b>(1,420.56)</b> | <b>(121.10)</b>  |
| <b>Add /Less Minority Interest</b>  |      | <b>(57.40)</b>    | <b>(33.25)</b>   |
| <b>Profit /(Loss) for the year (after adjustment for<br/>Minority Interest)</b>   |      | <b>(1,363.16)</b> | <b>(87.85)</b>   |
| Earnings Per Share (of 10/- Each):  |      |                   |                  |
| <b>Basic</b>  |      | <b>(14.89)</b>    | (0.98)           |
| <b>Diluted</b>  |      | <b>(14.89)</b>    | (0.98)           |
| Summary of significant accounting policies  | 2.1  |                   |                  |

The accompanying notes are an integral part of Consolidated Financial Statements.

As per our report of even date  
**For Alladi Krishnan & Kumar**  
Firm's Registration No.100282W  
Chartered Accountants

**Ajit S. Datar**  
Partner  
Membership No.036274  
Place: Mumbai  
Date : 29<sup>th</sup> May, 2014

**For Rishi Laser Limited**

**Chairman**  
Harshad B. Patel

**Directors**  
Vasant D. Goray

**Company Secretary**  
Supriya Joshi

Jayesh K. Sheth  
Dinesh Mehta



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Rs. in Lacs

|  | 31.03.2014      | 31.03.2013      |
|--|-----------------|-----------------|
| <b>A. Cash Flow From Operating Activities</b>                                    |                 |                 |
| Net Profit before Tax and Extraordinary items                                    | (1,495.48)      | (175.84)        |
| <b>Adjusted for:</b>   |                 |                 |
| Depreciation   | 1,046.08        | 1,048.09        |
| Interest Paid  | 821.91          | 1,082.60        |
| Interest Received  | (18.52)         | (25.15)         |
| Capital Reserve  | (1.41)          | (1.41)          |
| Rent received  | (2.40)          | (2.40)          |
| (Profit) / Loss on Sale of Assets  | 8.05            | (547.42)        |
| Loss on Sale of Investment   | 0.85            | -               |
| Dividend   | (0.02)          | (0.35)          |
| Extra Ordinary Item  | -               | 3.61            |
| <b>Operating Profit Before Working Capital Changes</b>                           | <b>359.06</b>   | <b>1,381.73</b> |
| <b>Adjusted for:</b>   |                 |                 |
| Decrease/(Increase) in Inventories   | (39.87)         | 335.19          |
| Decrease/(Increase) in Trade Receivable  | 800.59          | 193.29          |
| Decrease/(Increase) in Long Term Loans and Advances                              | 45.97           | (27.13)         |
| Decrease/(Increase) in Short Term Loans and Advances                             | 106.49          | 69.48           |
| (Decrease)/Increase in Trade Payable   | (19.85)         | 496.72          |
| (Decrease)/Increase in Other Current Liabilities                                 | (444.62)        | (33.49)         |
| (Decrease)/Increase in Short Term Provisions                                     | 62.37           | 68.03           |
| (Decrease)/Increase in Long Term Provisions                                      | 5.27            | (51.26)         |
| <b>Cash Generated from Operations</b>  | <b>875.41</b>   | <b>2,432.56</b> |
| <b>Less:</b>   |                 |                 |
| Income Taxes Paid  | (21.98)         | (36.49)         |
| <b>Net Cash Flow from Operating Activities (A)</b>                               | <b>853.43</b>   | <b>2,396.07</b> |
| <b>B. Cash Flow From Investing Activities:</b>                                   |                 |                 |
| Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances | (273.75)        | (1,026.64)      |
| Sale of Fixed Assets   | 95.39           | 903.32          |
| Sale / Purchase of Investment  | (0.85)          | (5.30)          |
| Interest Received  | 18.52           | 25.15           |
| Dividend Received  | 0.02            | 0.35            |
| Rent received  | 2.40            | 2.40            |
| <b>Net Cash Flow used in Investing Activities (B)</b>                            | <b>(158.27)</b> | <b>(100.72)</b> |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

|  | Rs. in Lacs     |                   |
|--|-----------------|-------------------|
|  | 31.03.2014      | 31.03.2013        |
| <b>C. Cash Flow From Financing</b>                       |                 |                   |
| Proceeds from Issue of Share Capital                     | 20.00           | -                 |
| Share Premium  | 20.00           | -                 |
| Share Issue Expense                                      | (0.20)          | -                 |
| Dividend Paid on Equity Shares                           | -               | -                 |
| Tax on Equity Dividend Paid                              | -               | -                 |
| Proceed from Long Term Borrowings (Net of Repayment)     | (7.29)          | (1,108.46)        |
| Proceed from Short Term Borrowings (Net of Repayment)    | 19.01           | (248.90)          |
| Interest Paid  | (821.91)        | (1,082.60)        |
| <b>Net Cash Flow (used) in Financial Activities (C)</b>  | <b>(770.39)</b> | <b>(2,439.96)</b> |
| <br>   |                 |                   |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b> | <b>(75.23)</b>  | <b>(144.61)</b>   |
| <br>   |                 |                   |
| <b>Opening Balance of Cash and Cash Equivalents</b>      | 173.95          | 318.56            |
| <b>Closing Balance of Cash and Cash Equivalents</b>      | 98.72           | 173.95            |

As per our report of even date  
**For Alladi Krishnan & Kumar**  
 Firm's Registration No.100282W  
 Chartered Accountants

**For Rishi Laser Limited**

**Ajit S.Datar**  
 Partner  
 Membership No.036274  
 Place: Mumbai  
 Date : 29<sup>th</sup> May, 2014

**Chairman**  
 Harshad B. Patel

**Company Secretary**  
 Supriya Joshi

**Directors**  
 Vasant D. Goray  
 Jayesh K. Sheth  
 Dinesh Mehta



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 1. Corporate Information

Rishi Laser Limited is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one stock exchange in India. The Company is engaged in manufacturing of sheet metal components, Machines.

### 2. Basis of Preparation

The consolidated financial statements comprises of the financial statement of Rishi Laser Ltd. and its subsidiary. The consolidated financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

#### 2.1 Summary of Significant Accounting Policies

##### a. Principle of Consolidation

The Consolidation of accounts is prepared in accordance with the requirement of Accounting Standard 21 (AS 21) "Consolidated Financial Statements". The Consolidated financial statement include the financial statements of Rishi Laser Limited ("the parent company") and its subsidiary Rishi Consfab Pvt. Ltd.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements.

##### b. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and

liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

##### c. Tangible Fixed Assets

Fixed Assets are stated at cost of acquisition (net of recoverable taxes & Government grants wherever availed) or construction or other amounts substituted for historical costs on revaluation less accumulated depreciation. Expenses capitalized also include applicable borrowing cost.

##### d. Depreciation on Tangible Fixed Assets

1. Depreciation on fixed assets is provided on the Straight Line Method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.
2. All individual items of fixed assets, where the actual cost does not exceed Rs.5,000 each have been written off entirely in the year of acquisition.

##### e. Intangible Assets

Intangible assets are stated at cost of acquisition (net of recoverable taxes) less accumulated amortization / depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

##### f. Borrowing Cost

Borrowing costs include interest, amortization of ancillary costs incurred in

connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessary takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**g. Impairment of Assets**

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

**h. Investments**

Long term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value.

**i. Inventories**

1. Raw Material, Stores and Spares are valued at cost on Weighted Average.
2. Work in Progress is Valued at Cost representing materials, Labour and apportioned overheads.
3. Scrap is Valued at Net Realizable Value.

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

**j. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized:

**Sale of Goods**

Revenue from sale of goods is recognized

when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the dispatch of goods.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividend Income**

Dividend income is recognized when the Company's right to receive dividend is estimated by the reporting date.

**k. Employee Benefits**

- (i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related service is rendered.
- (ii) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

**l. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets & liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

**m. Retirement and Other Employee Benefits**

The Company has booked gratuity and leave encashment as per actuarial valuation as on 31.03.2014 as per AS15 (Revised).





**n. Income Tax**

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax, being the tax effect of timing difference, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). The rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**o. Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares

outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p. Provision, Contingent Assets and Contingent Liabilities**

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 outflow of resources. Contingent liabilities are not recognized but disclosed in notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

**q. Cash and Cash Equivalents**

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand.

**r. Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement the company does not include depreciation and amortization expense, finance cost and tax expenses.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Rs. In Lacs)

| <b>3 : SHARE CAPITAL</b>  | <b>As At<br/>31.03.2014</b> | <b>As At<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>Authorised shares:</b><br>1,50,00,000 (P.Y.:1,50,00,000) Equity shares of Rs.10/- each                                     | 1,500.00                    | 1,500.00                    |
| <b>Issued, Subscribed and Fully Paid Up Shares:</b><br>91,92,600 (P.Y. 89,92,600) Equity Shares of Rs.10/- each fully paid up | 919.26                      | 899.26                      |
| <b>Total Issued, Subscribed and fully Paid Up Share Capital</b>   | <b>919.26</b>               | <b>899.26</b>               |

6,92,940 shares out of the issued, subscribed and paid up share capital were allotted under ESOP in the last five years.

**a. Reconciliation of the number of equity shares and amount outstanding at the the end of the reporting period:**

| Particular                                  | As at 31.03.2014 |               | As at 31.03.2013 |               |
|---|------------------|---------------|------------------|---------------|
|   | No. in lacs      | Rs. In lacs   | No. in lacs      | Rs. In lacs   |
| At the beginning of the period              | 89.92            | 899.26        | 86.39            | 863.93        |
| Shares issued on exercise of ESOP           | 2.00             | 20.00         | 3.53             | 35.33         |
| <b>Outstanding at the end of the period</b> | <b>91.92</b>     | <b>919.26</b> | <b>89.92</b>     | <b>899.26</b> |

**b. Terms/rights attached to equity shares:**

The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shares held by each Shareholder holding more than 5% shares:**

| Name of the Shareholder                | As at 31.03.2014 |                           | As at 31.03.2013 |                           |
|--|------------------|---------------------------|------------------|---------------------------|
|  | Number in lacs   | % of holding in the class | Number in lacs   | % of holding in the class |
| Equity shares of Rs.10 each fully paid |                  |                           |                  |                           |
| Nikhil Jaysinh Merchant                | 7.80             | 8.49%                     | 7.80             | 8.67%                     |
| Archway Holdings Limited               | 6.70             | 7.29%                     | 6.70             | 7.45%                     |
| Rishi Techtex Limited                  | 5.17             | 5.62%                     | 4.71             | 5.24%                     |
| Harshad Bhavanbhai Patel               | 5.51             | 5.99%                     | 4.14             | 4.61%                     |

**d. Shares reserved for issuance under Stock Option Plans of the Company:**

The company has reserved issuance of 12,51,000 (P.Y. 14, 51,000) equity shares of Rs.10 each for offering to eligible employees of the company under ESOP. During the year the company has granted 2,00,000 (P.Y. NIL) Options to the eligible employees.


**(Rs. in Lacs)**

| <b>4 : RESERVES AND SURPLUS</b>                                     | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>(a) Capital Reserve:</b>   |                             |                             |
| Opening balance   | 6.94                        | 8.35                        |
| Less: Transferred to deferred income                                | 1.41                        | 1.41                        |
|   | <b>5.53</b>                 | <b>6.94</b>                 |
| <b>(b) Security Premium Account:</b>                                |                             |                             |
| Opening balance   | 2,737.95                    | 2,737.95                    |
| Add: Premium on shares issued during the year                       | 20.00                       | -                           |
|   | 2,757.95                    | 2,737.95                    |
| Less: Writing off shares issue expenses                             | 0.20                        | -                           |
| Closing balance   | <b>2,757.75</b>             | <b>2,737.95</b>             |
| <b>(c) General Reserve:</b>   |                             |                             |
| Opening balance   | 746.40                      | 746.40                      |
| Add: Transferred from surplus in Statement of Profit & Loss account | -                           | -                           |
| Closing balance   | <b>746.40</b>               | <b>746.40</b>               |
| <b>(d) Surplus / (Deficit) in Statement of Profit and Loss:</b>     |                             |                             |
| Opening balance   | 560.58                      | 648.43                      |
| Add: Profit / (Loss) for the year                                   | (1,363.16)                  | (87.85)                     |
| <b>Net surplus in the Statement of Profit and Loss</b>              | <b>(802.58)</b>             | <b>560.58</b>               |
| <b>Total</b>  | <b>2,707.10</b>             | <b>4,051.86</b>             |

**(Rs. in Lacs)**

| <b>5 : LONG TERM BORROWING</b>                     | <b>Non-Current Portion</b>  |                             | <b>Current Portion</b>      |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
| <b>(A) Term Loan From Bank</b>                     |                             |                             |                             |                             |
| Secured  | 929.69                      | 750.06                      | 532.47                      | 978.33                      |
| <b>(B) Deferred Payment Liabilities</b>            |                             |                             |                             |                             |
| Unsecured  | 274.01                      | 305.51                      | 44.40                       | 56.58                       |
| <b>(C) Loans and Advances from Related Parties</b> |                             |                             |                             |                             |
| Unsecured  | -                           | 33.88                       | 23.37                       | 50.17                       |
| <b>(D) Loans and Advances from Others</b>          |                             |                             |                             |                             |
| Secured  | 26.12                       | 24.72                       | 17.66                       | 16.57                       |
| Unsecured  | 132.65                      | 255.59                      | 122.96                      | 188.40                      |
| <b>Total</b>                                       | <b>1,362.47</b>             | <b>1,369.76</b>             | <b>740.86</b>               | <b>1,290.05</b>             |

**Details of term loan from banks****I) Loan from State Bank of India****(Rs. in Lacs)**

| <b>Repayment Terms</b>   | <b>Outstanding Amount as on 31.03.14</b> | <b>Rate of interest</b> |
|--|--|-------------------------|
| Monthly installment of Rs.5 lakhs from Dec-14 to March-15, Rs.10 lakhs from Apr-15 to Aug-15, Rs.12 lakhs from Sept-15 to March-16, Rs.15 lakhs from Apr-16 to Sept-16, Rs.18 lakhs from Oct-16 to March-17, Rs.18 lakhs for Apr-17, Rs.25 lakhs from May-17 to Aug-17, Rs.30 lakhs for Sept-17. | 500.94                                   | 17.00%                  |
| Monthly Installment of Rs.10 lakhs from Nov-14 to March-15, Rs.13 lakhs from Apr-15 to March-16, Rs.16 lakhs from Apr-16 to March-17, Rs.16 lakhs for Apr-17, Rs.17 lakhs from May-17 to Sept-17.  | 499.94                                   | 17.00%                  |

Above Indian Rupee term loans are secured by mortgage over Company's specific Land and Building and hypothecation of specific Plant & Machinery at Pune, Bengaluru, and Vadodara plants and personal guarantee of Managing Director of the Company.

**II) Loan from Canara Bank****(Rs.in Lacs)**

| <b>Repayment Terms</b>   | <b>Outstanding Amount as on 31.03.14</b> | <b>Rate of interest</b> |
|--|--|-------------------------|
| Monthly installment of Rs.14.17 Lakh each from April-13 to March-15  | 202.67                                   | 15.25%                  |
| Monthly installment of Rs.16.67 Lakhs From April 2014 to March 2015. | 235.52                                   | 14.95%                  |

Above Indian Rupee term loan from Canara Bank is secured by mortgage over Company's specific Land and Building and further loan of subsidiary is secured by exclusive charge on the fixed assets of the Company including Land & Building situated at Sy. No. 54/3 Majara Hosahalli Road, KIABD Industrial Area, Doddaballapur, District Bengaluru Rural - 561203 and Personal guarantee of Managing Director of the Company.

**III) Loan from Kotak Mahindra Bank****(Rs. In Lacs)**

| <b>Repayment Terms</b>  | <b>Outstanding Amount as on 31.03.14</b> | <b>Rate of interest</b> |
|---|--|-------------------------|
| Monthly installment of Rs.1.30 (including interest) lakh is payable from Apr-14 to Feb-15 | 13.24                                    | 15.70%                  |

Above Indian Rupee loan is secured by mortgage over Company's Land at Doddaballapur (Bengaluru) and personal guarantee of the Managing Director of the Company and his spouse.

**IV) Loan from Gujarat Industrial Development Corporation****(Rs. In Lacs)**

| <b>Repayment Terms</b>   | <b>Outstanding Amount as on 31.03.14</b> | <b>Rate of interest</b> |
|--|--|-------------------------|
| Quarterly payment of Rs.1.76 Lakh is payable From April 2014 to September, 2017. | 43.78                                    | 14.00%                  |

This Indian Rupee loan is secured by Plot No. 733 & 735 at GIDC Savli, Savli, Vadodara.

**V) Term loan for vehicles are secured against hypothecation of vehicles.**



## VI) Deferred Sales Tax is interest free loan which is repayable as under:

| Year         | Amount (Rs. In Lacs) |
|--------------|----------------------|
| 2014-15      | 86.31                |
| 2015-16      | 72.90                |
| 2016-17      | 61.94                |
| 2017-18      | 53.79                |
| 2018-19      | 34.75                |
| 2019-20      | 8.72                 |
| <b>Total</b> | <b>318.41</b>        |

(Rs. in Lacs)

| <b>6 : DEFERRED TAX LIABILITIES (NET)</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Opening balance                           | 382.09                      | 436.83                      |
| <b>Deferred Tax Liability</b>             | 10.21                       | 1.77                        |
| <b>Deferred Tax Assets</b>                | 85.14                       | 56.51                       |
| <b>Total</b>                              | <b>307.16</b>               | <b>382.09</b>               |

(Rs. in Lacs)

| <b>7 : LONG TERM PROVISIONS</b>         | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>Provision for Employee Benefits:</b> |                             |                             |
| i) Provision for gratuity (Note: 26)    | 2.62                        | 1.71                        |
| ii) Leave Encashment (Note: 26)         | 20.73                       | 16.37                       |
| <b>Total</b>                            | <b>23.35</b>                | <b>18.08</b>                |

(Rs. in Lacs)

| <b>8 : SHORT TERM BORROWINGS</b>      | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Loans repayable on demand – From bank |                             |                             |
| <b>Secured</b>                        | 3,055.64                    | 3,036.63                    |
| <b>Total</b>                          | <b>3,055.64</b>             | <b>3,036.63</b>             |

**Notes:****Details of security for the secured short-term borrowings:**

Working capital loan from bank in case of Rishi Laser Limited and its subsidiary Company are secured against exclusive hypothecation charge on present and future stocks i.e. Raw-materials, Stock in progress, Finished goods, Stores and Spares and book debts of the respective companies.

(Rs. in Lacs)

| <b>9 : TRADE PAYABLES</b>             | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Trade payables including acceptances* | 2,909.32                    | 2,929.17                    |
| <b>Total</b>                          | <b>2,909.32</b>             | <b>2,929.17</b>             |

\*Trade payable includes payable to associates of Rs.48.88 Lacs (P.Y. Rs.0.09 Lakhs)

(Rs. in Lacs)

| <b>10 : OTHER CURRENT LIABILITIES</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Current maturities of long term debt  | 740.86                      | 1,290.05                    |
| Advance from customers                | 94.67                       | 78.80                       |
| Interest free deposits from customers | 22.39                       | 12.76                       |
| Other liabilities                     | 122.84                      | 128.89                      |
| Creditors for capital expenditure     | 185.42                      | 100.30                      |
| <b>Total</b>                          | <b>1,166.18</b>             | <b>1,610.80</b>             |

(Rs. in Lacs)

| <b>11 : SHORT TERM PROVISIONS</b>                  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>(a) Provision for employee benefits:</b>        |                             |                             |
| (i) Provision for bonus                            | 28.03                       | 20.49                       |
| (ii) Provision for Gratuity liability              | 81.65                       | 51.77                       |
| (iii) Provision for leave encashment               | 5.51                        | 5.46                        |
| (iv) Provision for other employee benefits         |                             |                             |
| Employer contribution to PF                        | 0.39                        | 4.51                        |
| Employer contribution to ESIC                      | 0.67                        | 1.22                        |
|  | <b>116.25</b>               | <b>83.45</b>                |
| <b>(b) Provision - Others:</b>                     |                             |                             |
| (i) Provision for tax (net of advance tax and TDS) |                             |                             |
| Provision for tax                                  | 188.20                      | 186.92                      |
| Less:  |                             |                             |
| Advance tax payment                                | 68.00                       | 68.00                       |
| TDS receivable                                     | 126.35                      | 103.09                      |
|  | <b>(6.15)</b>               | <b>15.83</b>                |
| (ii) Others  | 110.43                      | 80.86                       |
| <b>Total</b>                                       | <b>220.53</b>               | <b>180.14</b>               |


**12 : FIXED ASSETS**
**(Rs. in Lacs)**

| Description                 | Gross Block              |               |              | Depreciation/Amortization |                          |                 |                         | Net Block                |                  |                  |
|-----------------------------|--------------------------|---------------|--------------|---------------------------|--------------------------|-----------------|-------------------------|--------------------------|------------------|------------------|
|                             | Balance as at 01/04/2013 | Additions     | Disposals    | Balance as at 31/03/2014  | Balance as at 01/04/2013 | For the Year    | Deduction/ Adjust-ments | Balance as at 31/03/2014 | As at 31/03/2014 | As at 31/03/2013 |
| <b>1. Tangible Assets</b>   |                          |               |              |                           |                          |                 |                         |                          |                  |                  |
| Free Hold Land              | 324.64                   | 0.00          | 31.96        | 292.68                    | 0.00                     | 0.00            | 0.00                    | 0.00                     | 292.68           | 324.64           |
| Lease Hold Land             | 221.09                   | 0.00          | 0.00         | 221.09                    | 0.00                     | 0.00            | 0.00                    | 0.00                     | 221.09           | 221.09           |
| Factory Building            | 2,059.50                 | 9.05          | 0.00         | 2,068.55                  | 385.48                   | 59.58           | 0.00                    | 445.06                   | 1,623.49         | 1,674.02         |
| Plant & Machinery           | 9,156.85                 | 113.77        | 8.11         | 9,262.51                  | 4,693.00                 | 878.33          | 1.47                    | 5,569.86                 | 3,692.65         | 4,463.85         |
| Electrical Installation     | 312.32                   | 4.28          | 0.00         | 316.60                    | 166.75                   | 27.54           | 0.00                    | 194.29                   | 122.31           | 145.57           |
| Tools & Dies                | 401.79                   | 15.48         | 0.00         | 417.27                    | 150.97                   | 31.92           | 0.28                    | 182.61                   | 234.65           | 250.82           |
| Furniture                   | 143.04                   | 6.76          | 3.98         | 145.82                    | 55.76                    | 7.90            | 1.15                    | 62.51                    | 83.31            | 87.28            |
| Fixtures                    | 11.16                    | 0.00          | 0.00         | 11.16                     | 3.93                     | 0.71            | 0.01                    | 4.63                     | 6.53             | 7.23             |
| Office Equipments           | 67.06                    | 4.38          | 0.14         | 71.30                     | 21.61                    | 4.12            | 0.06                    | 25.67                    | 45.63            | 45.45            |
| Computers                   | 133.83                   | 5.31          | 0.00         | 139.14                    | 114.93                   | 14.18           | 0.00                    | 129.11                   | 10.03            | 18.90            |
| Vehicles                    | 139.86                   | 0.00          | 10.67        | 129.19                    | 49.22                    | 12.61           | 6.92                    | 54.91                    | 74.28            | 90.64            |
| <b>Sub total</b>            | <b>12,971.14</b>         | <b>159.03</b> | <b>54.86</b> | <b>13,075.31</b>          | <b>5,641.65</b>          | <b>1,036.89</b> | <b>9.89</b>             | <b>6,668.65</b>          | <b>6,406.65</b>  | <b>7,329.49</b>  |
| <b>2. Intangible Assets</b> |                          |               |              |                           |                          |                 |                         |                          |                  |                  |
| Software                    | 61.74                    | 0.00          | 0.00         | 61.74                     | 44.61                    | 9.17            | 0.00                    | 53.78                    | 7.96             | 17.12            |
| Firewall                    | 0.15                     | 0.00          | 0.00         | 0.15                      | 0.04                     | 0.02            | 0.00                    | 0.06                     | 0.09             | 0.11             |
| <b>Sub total</b>            | <b>61.89</b>             | <b>0.00</b>   | <b>0.00</b>  | <b>61.89</b>              | <b>44.65</b>             | <b>9.19</b>     | <b>0.00</b>             | <b>53.84</b>             | <b>8.05</b>      | <b>17.23</b>     |
| <b>Grand Total</b>          | <b>13,033.03</b>         | <b>159.03</b> | <b>54.86</b> | <b>13,137.20</b>          | <b>5,686.30</b>          | <b>1,046.08</b> | <b>9.89</b>             | <b>6,722.49</b>          | <b>6,414.70</b>  | <b>7,346.72</b>  |
| Previous year               | 12,363.79                | 1,099.49      | 430.25       | 13,033.03                 | 4,708.33                 | 1,048.09        | 70.11                   | 5,686.31                 | 7,346.72         |                  |

**(Rs. in Lacs)**

| <b>13 : NON-CURRENT INVESTMENTS</b>  | <b>As at 31.03.2014</b> | <b>As at 31.03.2013</b> |
|--|-------------------------|-------------------------|
| <b>Non-trade Investments (valued at cost unless stated otherwise)</b>  |                         |                         |
| <b>Investment in Equity Instruments: (unquoted)</b>  |                         |                         |
| 4,980 (P.Y. 4,980) Equity Shares of Rs.10/- each fully paid up in Lotus Fabrication Pvt. Ltd.                              | 0.50                    | 0.50                    |
| 27,000 (P.Y.27,000) Equity Shares of Rs.10/- each fully paid up in Centennial Finance Ltd.                                 | 2.70                    | 2.70                    |
| 25 (P.Y.25) Equity Shares of Rs.100/- each fully paid up in Cosmos Co-Op. Bank Ltd.  | 0.03                    | 0.03                    |
| 4,00,000 (P.Y.4,00,000) Equity Shares of Rs.10/- each fully paid in Centennial Fabrics Ltd.                                | 40.00                   | 40.00                   |
| <b>Investment in Equity Instruments of Associate Company: (unquoted)</b>   |                         |                         |
| 4,900 (P.Y.4,900) Equity Shares of Rs.10/- each fully paid up in Rishi Vocational Education Pvt. Ltd. - Unquoted           | 0.49                    | 0.49                    |
| <b>Investment in Equity Instruments of Associate Company: (quoted)</b>   |                         |                         |
| 3,01,347 (P.Y.3,01,347) Equity Shares of Rs. 10 each in Rishi Techtex Ltd. [Market Value: Rs.7.23 Lakhs (P.Y.28.39 Lakhs)] | 79.53                   | 79.52                   |
| <b>Total</b>   | <b>123.25</b>           | <b>123.24</b>           |

(Rs. in Lacs)

| <b>14 : LONG TERM LOANS AND ADVANCES</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>Security Deposits</b>                 |                             |                             |
| Unsecured, considered good               | 246.53                      | 292.50                      |
| <b>Total</b>                             | <b>246.53</b>               | <b>292.50</b>               |

(Rs. in Lacs)

| <b>15 : INVENTORIES</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| (a) Raw Materials (valued at cost on Weighted Average)  | 618.25                      | 704.28                      |
| (b) Work-in-progress<br>(Valued at Cost representing materials, labour and apportioned overheads) | 1,406.65                    | 1,294.32                    |
| (c) Stores and spares (valued at cost on Weighted Average)  | 202.01                      | 188.44                      |
| <b>Total</b>  | <b>2,226.91</b>             | <b>2,187.04</b>             |

(Rs. in Lacs)

| <b>16 : TRADE RECEIVABLES</b>          | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>(Unsecured and considered good)</b> |                             |                             |
| Over six months                        | 1,143.12                    | 1,119.64                    |
| Others*                                | 1,934.28                    | 2,758.35                    |
| <b>Total</b>                           | <b>3,077.40</b>             | <b>3,877.99</b>             |

\*Other trade receivables includes receivables from associates of Rs.28.19 Lakhs (P.Y. Rs.61.61 Lacs).

(Rs. in Lacs)

| <b>17 : CASH AND CASH EQUIVALENTS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| (a) Cash in hand                      | 4.58                        | 8.22                        |
| (b) Balances with banks               |                             |                             |
| In current accounts                   | 3.81                        | 24.86                       |
| In margin & deposit money accounts    | 90.33                       | 140.87                      |
| <b>Total</b>                          | <b>98.72</b>                | <b>173.95</b>               |





(Rs. in Lacs)

| <b>18 : SHORT TERM LOANS AND ADVANCES</b>                                      | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>(a) Loans and Advances to Related Parties</b><br>Unsecured, considered good | 35.13                       | 27.55                       |
| <b>(b) Prepaid Expenses</b>  | 43.29                       | 54.61                       |
| <b>(c) Balances with Government Authorities</b><br>Unsecured, considered good  |                             |                             |
| (i) CENVAT credit  | 41.04                       | 54.98                       |
| (ii) VAT credit  | 0.04                        | 30.69                       |
| (iii) Service Tax credit   | 83.24                       | 104.25                      |
| (iv) Balance with custom, excise etc.  | 13.97                       | 16.46                       |
|  | <b>138.29</b>               | <b>206.38</b>               |
| <b>(d) Others-Unsecured, Considered Good</b>                                   |                             |                             |
| (i) Advance recoverable in cash or kind or for value to be received            | 95.50                       | 104.97                      |
| (ii) Others  | 37.76                       | 62.95                       |
|  | <b>133.26</b>               | <b>167.92</b>               |
| <b>Total</b>   | <b>349.97</b>               | <b>456.46</b>               |

(Rs. in Lacs)

| <b>19 : REVENUE FROM OPERATIONS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Sale of products                    | 13,446.06                   | 18,373.22                   |
| Less:                               |                             |                             |
| Excise duty/Service tax recovered   | 1,252.69                    | 1,851.54                    |
| <b>Total</b>                        | <b>12,193.37</b>            | <b>16,521.68</b>            |

(Rs. in Lacs)

| <b>20 : OTHER INCOME</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>Interest Income on:</b>   |                             |                             |
| Bank deposits  | 10.93                       | 15.84                       |
| Others   | 7.59                        | 9.30                        |
|  | <b>18.52</b>                | <b>25.14</b>                |
| <b>Dividend Income on:</b>   |                             |                             |
| Long term investments - Non-trade                                    | 0.02                        | 0.35                        |
| <b>Others:</b>   |                             |                             |
| Profit on sale of assets   | (11.20)                     | 550.72                      |
| Net (profit) / loss on foreign currency transactions and translation | (9.85)                      | 2.05                        |
| Others   | 9.90                        | 13.34                       |
|  | <b>(11.15)</b>              | <b>566.11</b>               |
| <b>Total</b>   | <b>7.39</b>                 | <b>591.60</b>               |

(Rs. in Lacs)

| <b>21 : COST OF MATERIAL CONSUMED</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Opening stock                         | 704.28                      | 926.33                      |
| Add: Purchases                        | 7,232.36                    | 9,594.83                    |
|                                       | <b>7,936.64</b>             | <b>10,521.16</b>            |
| Less: Closing stock                   | 618.25                      | 704.28                      |
| <b>Cost of material consumed</b>      | <b>7,318.39</b>             | <b>9,816.88</b>             |

(Rs. in Lacs)

| <b>22 : CHANGES IN INVENTORIES OF FINISHED GOODS,<br/>WORK-IN-PROGRESS AND STOCK IN TRADE</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Inventories at the end of the year:<br>Work-in-progress                                       | 1,406.65                    | 1,294.32                    |
| Inventories at the beginning of the year:<br>Work-in-progress                                 | 1,294.32                    | 1,457.60                    |
| <b>Net (increase) / decrease</b>  | <b>(112.33)</b>             | <b>163.28</b>               |

(Rs. in Lacs)

| <b>23 : EMPLOYEE BENEFIT EXPENSES</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Salaries, wages and bonus             | 2,077.80                    | 2,181.71                    |
| Contribution to provident fund        | 58.50                       | 57.13                       |
| Gratuity Expenses (Note: 26)          | 34.80                       | 2.69                        |
| Other post Employment funds           | 23.52                       | 26.98                       |
| Workmen and staff welfare expenses    | 64.42                       | 61.96                       |
| <b>Total</b>                          | <b>2,259.04</b>             | <b>2,330.47</b>             |

(Rs. in Lacs)

| <b>24 : OTHER EXPENSES</b>                  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Consumable stores and spare parts           | 567.66                      | 735.13                      |
| Power and fuel                              | 464.88                      | 573.61                      |
| Rent including lease rentals                | 102.49                      | 130.09                      |
| Repairs and maintenance - Plant & Machinery | 62.19                       | 103.89                      |
| Repairs and maintenance - Building          | 8.97                        | 18.11                       |
| Repairs and maintenance - Others            | 35.16                       | 38.95                       |
| Insurance                                   | 9.32                        | 7.83                        |
| Rates and taxes                             | 21.45                       | 15.76                       |
| Directors' sitting fees                     | 0.45                        | 0.28                        |
| Communication                               | 28.20                       | 28.95                       |
| Travelling and conveyance                   | 135.83                      | 121.36                      |
| Printing and stationery                     | 20.22                       | 22.00                       |
| Donations and contributions                 | 0.98                        | 0.65                        |
| Legal and professional                      | 98.13                       | 105.04                      |
| Payments to auditors (Refer Note below)     | 7.97                        | 7.65                        |



|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| Factory expenses                 | 16.54           | 21.31           |
| Gas cylinder rent                | 17.33           | 25.39           |
| Processing charges               | 484.91          | 599.01          |
| Advertisement expenses           | 4.10            | 1.82            |
| Security charges                 | 68.67           | 71.80           |
| Training expenses                | 7.35            | 13.74           |
| Selling and distribution expense | 144.70          | 164.43          |
| Net loss on sale of investments  | 0.00            | 0.00            |
| Loss on sale of assets           | (2.30)          | 3.30            |
| Prior period items               | 0.00            | (0.03)          |
| Miscellaneous expenses           | 57.95           | 37.73           |
| <b>Total</b>                     | <b>2,363.15</b> | <b>2,847.80</b> |

**Notes:**
**(Rs. in Lacs)**

| <b>Particulars</b>                         | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>Payments to the Auditors Comprises:</b> |                             |                             |
| As auditors - statutory audit              | 4.00                        | 4.00                        |
| As auditors - tax audit                    | 2.00                        | 2.00                        |
| Certificate and consultancy charges        | 1.50                        | 1.50                        |
| Reimbursement of expenses                  | 0.47                        | 0.15                        |
| <b>Total</b>                               | <b>7.97</b>                 | <b>7.65</b>                 |

**(Rs. in Lacs)**

| <b>25 : FINANCE COST</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--------------------------|-----------------------------|-----------------------------|
| Interest                 | 763.89                      | 988.84                      |
| Other borrowing cost     | 58.02                       | 93.76                       |
| <b>Total</b>             | <b>821.91</b>               | <b>1,082.60</b>             |

**(Rs. in Lacs)**

| <b>26A : GRATUITY AND OTHER<br/>POST EMPLOYMENT BENEFIT PLAN</b>          | <b>Leave Encashment</b>     |                             | <b>Gratuity</b>             |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
| Current service cost  | 9.30                        | 9.49                        | 15.70                       | 13.24                       |
| Interest cost   | 1.75                        | 2.06                        | 5.78                        | 5.69                        |
| Actual return on plan assets  | 0.00                        | 0.00                        | 0.84                        | 1.64                        |
| Actuarial losses/(gains)  | 4.18                        | (9.08)                      | 11.16                       | (14.60)                     |
| <b>Total expense recognized in the Statement<br/>of Profit &amp; Loss</b> | <b>15.23</b>                | <b>2.47</b>                 | <b>31.80</b>                | <b>2.69</b>                 |

(Rs. in Lacs)

| 26B : NET ASSETS/LIABILITY<br>RECOGNIZED IN THE BALANCE SHEET | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Present value of defined benefit obligation                   | 26.27               | 21.83               | 94.13               | 72.35               |
| Fair value of plan assets                                     | 0.00                | 0.00                | 9.86                | 18.87               |
| Unfunded liability  | 26.27               | 21.83               | 84.27               | 53.48               |
| Unrecognized past service costs                               | 0.00                | 0.00                | 0.00                | 0.00                |
| <b>Unfunded Liability Recognized in the<br/>Balance Sheet</b> | <b>26.27</b>        | <b>21.83</b>        | <b>84.27</b>        | <b>53.48</b>        |

(Rs. in Lacs)

| 26C : CHANGE IN DEFINED<br>BENEFIT OBLIGATION DURING THE YEAR | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Present value of PBO at beginning of the year                 | 21.83               | 25.80               | 72.35               | 71.07               |
| Current service cost  | 9.30                | 9.49                | 15.69               | 13.24               |
| Interest cost   | 1.75                | 2.06                | 5.78                | 5.69                |
| Benefits paid   | 10.79               | 6.44                | 10.85               | 3.05                |
| Actuarial (gains) / losses                                    | 4.18                | (9.08)              | 11.16               | (14.60)             |
| Present value of PBO at the end of the year                   | <b>26.27</b>        | <b>21.83</b>        | <b>94.13</b>        | <b>72.35</b>        |

(Rs. in Lacs)

| 26D : CHANGE IN PLAN ASSETS                               | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Fair value of plan assets at the beginning<br>of the year | Nil                 | Nil                 | 18.86               | 20.27               |
| Actual return on plan assets                              | N.A.                | N.A.                | 0.84                | 1.64                |
| Employer's contribution                                   | N.A.                | N.A.                | Nil                 | Nil                 |
| Benefits paid during the period                           | N.A.                | N.A.                | 9.84                | 3.05                |
| Fair value of plan assets at year end                     | Nil                 | Nil                 | 9.86                | 18.86               |

(Rs. in Lacs)

| 26E : ACTUAL ASSUMPTION        | Leave Encashment                                   |                           | Gratuity   |                           |
|--------------------------------|--|---------------------------|--|---------------------------|
|                                | As at<br>31.03.2014                                | As at<br>31.03.2013       | As at<br>31.03.2014                                | As at<br>31.03.2013       |
| Discount rate                  | 8% p.a.  | 8% p.a.                   | 8% p.a.  | 8% p.a.                   |
| Expected return on plan assets | N.A.   | N.A.                      | 4.92% p.a.   | 8.72% p.a.                |
| Salary escalation              | 5% p.a.  | 5% p.a.                   | 5% p.a.  | 5% p.a.                   |
| Mortality tables               | Indian assured<br>Lives mortality<br>(2006-08) Ult | LIC (1994-96)<br>ultimate | Indian assured<br>Lives mortality<br>(2006-08) Ult | LIC (1994-96)<br>ultimate |

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



## 27 : RELATED PARTY DISCLOSURE

## Details of Related Parties:

| Description of Relationship           | Names of Related Parties   |
|---------------------------------------|--|
| Related parties                       | Rishi Techtex Ltd.<br>Rishi Vocational Education Pvt. Ltd.<br>Total Scheweisstechnik Pvt. Ltd.<br>Krishak Saaj Pvt. Ltd. |
| <b>Key Management Personnel (KMP)</b> | - Mr. Harshad B. Patel<br>- Mr. Jayesh K. Sheth<br>- Mr. Dinesh Mehta<br>- Mr. Vasant D. Goray                           |

(Rs. in Lacs)

|   | Associate | KMP     | Total   |
|---|-----------|---------|---------|
| <b>Purchase of Goods</b>                            |           |         |         |
| - Rishi Techtex Ltd.                                | 0.57      | -       | 0.57    |
|   | 0.00      | -       | 0.00    |
| <b>Sale of Goods</b>                                |           |         |         |
| - Rishi Techtex Ltd.                                | 0.00      | -       | 0.00    |
|   | (57.04)   | -       | (57.04) |
| <b>Sale of Fixed Assets</b>                         |           |         |         |
| - Rishi Techtex Ltd.                                | 0.00      | -       | 0.00    |
|   | (0.40)    | -       | (0.40)  |
| <b>Professional Fees Paid</b>                       |           |         |         |
| - Rishi Vocational Education Pvt. Ltd               | 0.18      | -       | 0.18    |
|   | 0.00      | -       | 0.00    |
| <b>Interest Paid</b>                                |           |         |         |
| - Harshad B. Patel                                  | -         | 8.19    | 8.19    |
|   | -         | (15.57) | (15.57) |
| <b>Rent Received</b>                                |           |         |         |
| - Rishi Techtex Ltd.                                | 1.60      | -       | 1.60    |
|   | (2.40)    | -       | (2.40)  |
| <b>Rent Paid</b>                                    |           |         |         |
| - Harshad B. Patel                                  | -         | 4.32    | 4.32    |
|   | -         | (3.84)  | (3.84)  |
| <b>Remuneration, Commission and Sitting Fees</b>    |           |         |         |
| - Mr. Harshad B. Patel                              | -         | 44.09   | 44.09   |
|   | -         | (44.34) | (44.34) |
| - Mr. Jayesh K. Sheth                               | -         | 0.10    | 0.10    |
|   | -         | (0.05)  | (0.05)  |
| - Mr. Vandan Shah                                   | -         | 0.13    | 0.13    |
|   | -         | (0.08)  | (0.08)  |
| - Mr. Dinesh Mehta                                  | -         | 0.10    | 0.10    |
|   | -         | (0.05)  | (0.05)  |
| - Mr. Vasant D. Goray                               | -         | 0.13    | 0.13    |
|   | -         | (0.10)  | (0.10)  |
| <b>Balances Outstanding at the end of the Year:</b> |           |         |         |
| <b>Investments</b>                                  |           |         |         |
| - Rishi Vocational Education Pvt. Ltd               | 0.49      | -       | 0.49    |
|   | (0.49)    | -       | (0.49)  |

|                                       |                  |        |                  |
|---------------------------------------|------------------|--------|------------------|
| - Rishi Techtex Ltd.                  | 79.53<br>(79.53) | -<br>- | 79.53<br>(79.53) |
| <b>Trade Receivables</b>              |                  |        |                  |
| - Rishi Techtex Ltd.                  | 21.41<br>(61.61) | -<br>- | 21.41<br>(61.61) |
| - Total Schweissttechnik Pvt. Ltd.    | 6.78<br>0.00     | -<br>- | 6.78<br>0.00     |
| <b>Loans and Advances</b>             |                  |        |                  |
| - Rishi Vocational Education Pvt. Ltd | 26.18<br>(23.54) | -<br>- | 26.18<br>(23.54) |
| - Krishak Saaj Pvt. Ltd.              | 8.95<br>0.00     | -<br>- | 8.95<br>0.00     |
| <b>Trade Payables</b>                 |                  |        |                  |
| - Rishi Techtex Ltd.                  | 48.88<br>(0.09)  | -<br>- | 48.88<br>(0.09)  |

Note: Figures in bracket relates to the previous year.

| <b>28 : EARNING PER SHARE (EPS)</b>  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| (i) Net profit after tax after adjusting minority interest as per Statement of Profit and Loss attributable to equity shareholders | (1,363.16)                  | (87.85)                     |
| (ii) Weighted average number of equity shares used as denominator for calculating EPS  | 91.55                       | 89.93                       |
| (iii) Basic EPS  | (14.89)                     | (0.98)                      |
| (iv) Diluted EPS   | (14.89)                     | (0.98)                      |
| (v) Face value per equity share  | 10.00                       | 10.00                       |

### 29: CONTINGENT LIABILITIES

- (i) Guarantee given by banks on behalf of Company Rs.66,01,224.
- (ii) Letter of credit Rs.1,91,67,115
- (iii) Claims against the company not acknowledged as debt includes demand from Central Excise & Service Tax Authorities for payment of balance amount of Custom Duty and other duties together with Penalty of Rs.68.24 lakh plus Interest, if any, for scrap clearance in Domestic Tariff Area in excess of 50% of FOB value of exports for the Financial Year 2007-08 to 30 June 2011 from EOU Unit. The company has gone into appeal before the Commissioner of Central Excise & Customs (Appeals), Pune III contesting the demand and the management is of the view that the demand will not stand in the appellate process. The management believes that the ultimate outcome of the legal proceedings will not have any material adverse impact on its financial and operating position.



**DIRECTORS' REPORT  
RISHI CONSFAB PVT. LTD.**

The Members,  
**Rishi Consfab Private Limited**

Your Directors have pleasure in presenting their Annual Report along with the Audited Accounts for the year ended 31st March 2014.

**Financial Results:**

|  | (Rs. in Lacs) |          |
|--|---------------|----------|
|  | 2013-14       | 2012-13  |
| Turnover (Net)                         | 2061.09       | 3096.54  |
| Profit before Interest, Dep. & Tax     | 84.79         | 215.40   |
| Interest                               | 135.83        | 174.37   |
| Depreciation                           | 173.02        | 164.43   |
| Profit/(Loss) before Tax               | (224.06)      | (123.40) |
| Provision for Tax (incl. Deferred Tax) | (3.28)        | 4.47     |
| Profit/(Loss) after Tax                | (220.78)      | (127.87) |

**Operating Results:**

During the year, your Company achieved sales of Rs. 2061.09 Lacs as compared to sales of Rs.3096.54 Lacs in the previous year. The operations resulted in a loss of Rs.220.78 Lacs against the loss of Rs.127.87 Lacs in the previous year.

**Current Year:**

Your Company has budgeted sales turnover of Rs.25 Crores for the current Year.

**Directors:**

Mr. Abhay Thosar retires by rotation and being eligible, offers himself for re-appointment.

Mr. Sanjay Hindlekar was appointed as Additional Director of the Company on 10<sup>th</sup> October 2013 & He shall hold office upto the date of forthcoming Annual General Meeting and is eligible for reappointment.

**Directors Responsibility Statement:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- A That in the preparation of annual accounts, the applicable Accounting Standards has been followed along with proper explanation relating to material departures; if any;
- B That the directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable

and prudent so as to give a true and fair view of the State of Affairs of the company as at 31<sup>st</sup> March, 2014 and Loss of the Company for the year ended on that date;

- C That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- D That the directors have prepared the Annual Accounts on a going concern basis.

**Compliance Certificate:**

Your Company has obtained Compliance Certificate from a Practising Company Secretary.

**Fixed Deposits:**

During the period under Report the Company has not accepted Fixed Deposits from Public.

**Insurance:**

All the properties of the Company have been adequately insured against fire, riot, earthquake, and various other risks.

**Particulars of Employees:**

During the period under report there were no appointments of employees drawing remuneration in excess of limits laid down under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2011.

**THE COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS RULES, 1988.**

**A) CONSERVATION OF ENERGY:**

The Company has implemented energy conservation measurers at its plant at Bengaluru.

The Company is operating latest Laser Cutting Machines which consumes less electricity in its operations as compared to similar machines of earlier generation. The Form 'A' prescribed under the rules is not applicable to the Company since the Company does not fall in the industries, specified in Schedule to the Rules.

**B) TECHNOLOGY ABSORPTION: FORM B**

The Company is not carrying out any R & D Operations but is assisting its customers in prototyping and developing import substitute items.

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

The Company has not imported any Technology.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

There has been no earning and outgo of foreign exchange during the year.

**Auditors:**

M/s. Alladi Krishnan & Kumar, Chartered Accountants, Statutory Auditors of the Company (Firm Registration No. 100282W) retire and offer themselves for re-appointment. The Company has obtained the requisite certificate required under Section 139 of the Companies Act, 2013, to the effect that their re-appointment, if made, will be in conformity with the limits specified in the said section and the criteria stipulated under section 141 of the Companies Act, 2013.

**For and on behalf of the Board**

**Date: 17<sup>th</sup> May, 2014**  
**Place: Mumbai**

**Harshad Patel**  
**Chairman**

**Note:**

The Board Report is prepared as per the provisions of Companies Act, 1956 as stipulated by General Circular No.8/2014 dated 04.04.2014 issued by Ministry of Corporate Affairs. The changes as per Companies Act, 2013 will be effective from financial year 2014-2015.



**INDIPENDANT AUDITOR'S REPORT - RISHI CONSFAB PVT. LTD.**

To,  
The members of  
Rishi Consfab Private Limited

**Report on the Financial Statements**

We have audited the accompanying Financial Statements of Rishi Consfab Private Limited, which comprises the Balance Sheet as at 31<sup>st</sup> March 2014, and the Statement of Profit And Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

- (i) In the case of Balance Sheet, of the State of Affairs of the Company as at March 31, 2014;
- (ii) In the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory requirement**

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that,
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the Books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors as on March 31, 2014, and taken on record by Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For ALLADI KRISHNAN AND KUMAR**  
**(Chartered Accountants)**  
**Firm's Registration No.100282W**

Place: Mumbai  
Date: 17th May, 2014

**AJIT S. DATAR**  
**(PARTNER)**  
Membership No.  
036274



## ANNEXURE TO AUDITOR'S REPORT

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Rishi Consfab Private Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. [a] The Company has maintained proper records showing full particulars, including quantitative details and location of the Fixed Assets.  
[b] There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.  
[c] The Company has not disposed off substantial part of fixed assets during the year.
2. [a] Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
[b] The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.  
[c] The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt in the books of account.
3. [a] According to the information and explanations given to us the Company has not taken/granted unsecured loans, from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
[b] According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw material including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods. There is no major weakness in the internal control procedures.
5. In our opinion, and according to the information and explanations given to us, there were no transactions in pursuance of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the Company.
9. [a] The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities .  
[b] There are no disputed statutory dues pending at any forums.
10. Company has neither accumulated losses nor has it incurred cash losses in the financial year under report and in the preceding immediate year.

11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to the financial institutions.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4 [xiii] of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4[xiv] of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others.
16. The Company has utilized the term loan for the purpose for which loans which the loans were obtained.
17. According to the information and explanations received, the Company has not applied short-term borrowings for long-term use and vice versa.
18. During the year the Company has not made preferential allotment of shares.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For ALLADI KRISHNAN AND KUMAR**  
**(Chartered Accountants)**  
**Firm's Registration No.100282W**

Place: Mumbai  
Date: 17<sup>th</sup> May, 2014

**AJIT S. DATAR**  
**(PARTNER)**  
Membership No. 036274

**BALANCE SHEET AS AT 31ST MARCH, 2014**

| Particulars                                    | Notes | (Rs. in Lacs)   |                 |
|--|-------|-----------------|-----------------|
|  |       | 31.03.2014      | 31.03.2013      |
| <b>EQUITY &amp; LIABILITIES</b>                |       |                 |                 |
| <b>Shareholders' Funds</b>                     |       |                 |                 |
| Share Capital                                  | 3     | 1,040.00        | 1,040.00        |
| Reserves & Surplus                             | 4     | -241.22         | -20.45          |
|  |       | <b>798.78</b>   | <b>1,019.55</b> |
| <b>Non-Current Liabilities</b>                 |       |                 |                 |
| Long-Term Borrowings                           | 5     | 12.35           | 206.92          |
| Deferred Tax Liabilities (net)                 | 6     | 64.11           | 67.40           |
| Long-Term Provisions                           | 7     | 4.01            | 2.93            |
|  |       | <b>80.47</b>    | <b>277.25</b>   |
| <b>Current Liabilities</b>                     |       |                 |                 |
| Short-Term Borrowings                          | 8     | 429.27          | 441.19          |
| Trade Payables                                 | 9     | 576.08          | 336.54          |
| Other Current Liabilities                      | 10    | 266.67          | 255.55          |
| Short-Term Provisions                          | 11    | 10.46           | 11.06           |
|  |       | <b>1,282.48</b> | <b>1,044.34</b> |
| <b>TOTAL</b>                                   |       | <b>2,161.73</b> | <b>2,341.14</b> |
| <b>ASSETS</b>                                  |       |                 |                 |
| <b>Non-Current Assets</b>                      |       |                 |                 |
| Fixed Assets                                   |       |                 |                 |
| Tangible Assets                                | 12    | 1,354.61        | 1,484.51        |
| Intangible Assets                              | 12    | 0.20            | 0.20            |
| Capital Work-In-Progress                       |       | 10.50           | 10.50           |
|  |       | <b>1,365.31</b> | <b>1,495.21</b> |
| Long-Term Loans and Advances                   | 13    | 47.49           | 51.53           |
| <b>Current Assets</b>                          |       |                 |                 |
| Current Investments                            |       |                 |                 |
| Inventories                                    | 14    | 365.04          | 306.02          |
| Trade Receivable                               | 15    | 315.93          | 390.39          |
| Cash and Cash Equivalents                      | 16    | 6.66            | 2.00            |
| Short-Term Loans and Advances                  | 17    | 61.30           | 95.99           |
|  |       | <b>748.93</b>   | <b>794.40</b>   |
| <b>Total</b>                                   |       | <b>2,161.73</b> | <b>2,341.14</b> |
| Summary of significant accounting policies 2.1 |       |                 |                 |

The accompanying notes are an integral part of Financial Statements.

As per our report of even date  
**For Alladi Krishnan & Kumar**  
 Firm's Registration No.100282W  
 Chartered Accountants

**Ajit S. Datar**  
 Partner  
 Membership No.036274  
 Place: Mumbai  
 Date : 17<sup>th</sup> May, 2014

**For Rishi Consfab Private Limited**

**Chairman**  
 Harshad B. Patel

**Directors**  
 Ganesh P. Agrawal  
 Abhay Thosar  
 K.P. Ananthagopal  
 Sanjay Hindlekar

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Rs. in Lacs)

| Particulars   | Notes | 31.03.2014      | 31.03.2013      |
|---|-------|-----------------|-----------------|
| <b>CONTINUING OPERATIONS</b>  |       |                 |                 |
| <b>INCOME</b>   |       |                 |                 |
| Revenue from Operations (gross)   | 18    | 2,323.90        | 3,493.50        |
| Less: Excise Duty   | 18    | 262.81          | 396.96          |
| Revenue from Operations (net)   |       | 2,061.09        | 3,096.54        |
| Other Income  | 19    | 1.37            | 1.92            |
| <b>Total Revenue (i)</b>  |       | <b>2,062.46</b> | <b>3,098.46</b> |
| <b>EXPENSES</b>   |       |                 |                 |
| Cost of Material Consumed   | 20    | 1,513.74        | 2,225.33        |
| Changes in Inventories of Finished Goods,   | 21    | (51.26)         | (43.33)         |
| Work-in-progress and Stock-in-Trade   |       |                 |                 |
| Employee Benefits Expenses  | 22    | 254.44          | 292.22          |
| Other Expenses  | 23    | 260.75          | 408.84          |
| <b>Total Expenses (ii)</b>  |       | <b>1,977.67</b> | <b>2,883.06</b> |
| <b>Earnings Before Exceptional Items,<br/>Extraordinary Items, Interest, Tax,<br/>Depreciation and Amortization (EBITDA) (i - ii)</b> |       |                 |                 |
|   |       | <b>84.79</b>    | <b>215.40</b>   |
| Finance Costs   | 24    | 135.83          | 174.37          |
| Depreciation and Amortization Expense   |       | 173.02          | 164.43          |
| <b>Profit / (Loss) before tax</b>   |       | <b>(224.06)</b> | <b>(123.40)</b> |
| <b>Tax expenses</b>   |       |                 |                 |
| Current Tax   |       | 0.00            | 0.00            |
| Deferred Tax  |       | (3.28)          | 4.47            |
| <b>Profit/(Loss) for the year</b>   |       | <b>(220.78)</b> | <b>(127.87)</b> |
| Earnings Per Share (Face Value of Rs.10/- Each):  |       |                 |                 |
| <b>Basic</b>  |       | <b>(2.12)</b>   | (1.23)          |
| <b>Diluted</b>  |       | <b>(2.12)</b>   | (1.23)          |
| Summary of significant accounting policies  | 2.1   |                 |                 |

The accompanying notes are an integral part of Financial Statements.

As per our report of even date  
**For Alladi Krishnan & Kumar**  
 Firm's Registration No.100282W  
 Chartered Accountants

**Ajit S. Datar**  
 Partner  
 Membership No.036274  
 Place: Mumbai  
 Date : 17<sup>th</sup> May, 2014

**For Rishi Consfab Private Limited**

**Chairman**  
 Harshad B. Patel

**Directors**  
 Ganesh P. Agrawal  
 Abhay Thosar  
 K.P. Ananthagopal  
 Sanjay Hindlekar

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

(Rs. in Lacs)

|  | 31.03.2014      | 31.03.2013      |
|--|-----------------|-----------------|
| <b>A. Cash Flow From Operating Activities</b>                                    |                 |                 |
| Net Profit before Tax and Extraordinary items                                    | (224.62)        | (122.32)        |
| <b>Non-cash adjustment to reconcile profit before tax to net cash flow</b>       |                 |                 |
| Depreciation   | 173.01          | 164.43          |
| Interest Paid  | 135.83          | 174.37          |
| Interest Received  | (1.31)          | (1.57)          |
| Previous Year Adjustment   | 0.56            | (1.09)          |
| Loss on Sale of assets   | (2.30)          | 3.30            |
| <b>Operating Profit Before Working Capital Changes</b>                           | <b>81.17</b>    | <b>217.12</b>   |
| <b>Movements in Working Capitals:</b>  |                 |                 |
| Decrease/(Increase) in Inventories   | (59.01)         | (14.26)         |
| Decrease/(Increase) in Trade Receivable  | 74.46           | 58.75           |
| Decrease/(Increase) in Long-Term Loans and Advances                              | 4.04            | 1.04            |
| Decrease/(Increase) in Short-Term Loans and Advances                             | 34.69           | 59.04           |
| (Decrease)/Increase in Trade Payable   | 239.54          | 65.55           |
| (Decrease)/Increase in Other Current Liabilities                                 | 11.11           | 36.19           |
| (Decrease)/Increase in Short-Term Provisions                                     | (0.59)          | 2.86            |
| (Decrease)/Increase in Long-Term Provisions                                      | 1.08            | (0.11)          |
| <b>Cash Generated from Operations</b>  | <b>386.49</b>   | <b>426.18</b>   |
| <b>Less:</b>   |                 |                 |
| Income Taxes Paid  | -               | -               |
| <b>Net Cash Flow from/(used in) Operating Activities (A)</b>                     | <b>386.49</b>   | <b>426.18</b>   |
| <b>B. Cash Flow From Investing Activities:</b>                                   |                 |                 |
| Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances | (97.99)         | (38.87)         |
| Sale of Fixed Assets   | 57.16           | 1.98            |
| Interest Received  | 1.31            | 1.57            |
| <b>Net Cash Flow from/(used in) in Investing Activities (B)</b>                  | <b>(39.52)</b>  | <b>(35.32)</b>  |
| <b>C. Cash Flow From Financing :</b>   |                 |                 |
| Proceed from Long Term Borrowings (Net of Repayment)                             | (194.56)        | (213.75)        |
| Proceed from Short Term Borrowings (Net of Repayment)                            | (11.92)         | (2.56)          |
| Interest Paid  | (135.83)        | (174.37)        |
| <b>Net Cash Flow from/(used in) Financial Activities (C)</b>                     | <b>(342.31)</b> | <b>(390.68)</b> |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>                         | <b>4.66</b>     | <b>0.18</b>     |
| <b>Opening Balance</b>   | <b>2.00</b>     | <b>1.82</b>     |
| <b>Closing Balance</b>   | <b>6.66</b>     | <b>2.00</b>     |

As per our report of even date  
**For Alladi Krishnan & Kumar**  
 Firm's Registration No.100282W  
 Chartered Accountants

**For Rishi Consfab Private Limited**

**Ajit S.Datar**  
 Partner  
 Membership No.036274  
 Place: Mumbai  
 Date : 17<sup>th</sup> May, 2014

**Chairman**  
 Harshad B. Patel

**Directors**  
 Ganesh P. Agrawal  
 Abhay Thosar  
 K.P. Ananthagopal  
 Sanjay Hindlekar

## RISHI CONSFAB PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

**1. Corporate Information**

Rishi Consfab Private Limited is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing of Fabricated Sheet Metal Components.

**2. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 Summary of significant accounting policies****a. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

**b. Tangible Fixed Assets**

Fixed Assets are stated at cost of acquisition (net of recoverable taxes & Government grants wherever availed) or construction or other amounts substituted for historical costs on revaluation less accumulated depreciation. Expenses capitalized also include applicable borrowing cost.

**c. Depreciation on Tangible Fixed Assets**

Depreciation on fixed assets is provided on the Straight Line Method at the rates and in

the manner prescribed under Schedule XIV to the Companies Act, 1956.

**d. Intangible Assets**

Intangible assets are stated at cost of acquisition (net of recoverable taxes) less accumulated amortization / depletion. All costs, including finance cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

**e. Borrowing Cost**

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessary takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**f. Impairment of Tangible and Intangible Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

**g. Investments**

Long term investments are stated at cost, less any provision for permanent diminution in value. Current investments are stated at lower of cost and fair value.

**h. Inventories**

1. Raw Material, Stores and Spares are valued at cost on Weighted Average.
2. Work in Progress is Valued at Cost representing materials, Labour and





apportioned overheads.

3. Scrap is Valued at Net Realizable Value.

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

**i. Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized:

**Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the dispatch of goods.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

**j. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets & liabilities are restated at year end exchange rates. Exchange differences arising on the settlement of foreign currency monetary items or on reporting Company's foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognized as income or expenses in the year in which they arise.

**k. Retirement and Other Employee Benefits**

The liabilities of gratuity and leave encashment are not funded.

The Company has booked gratuity and leave encashment as per actuarial valuation as on 31.03.2014 as per AS 15(Revised).

**l. Income Tax**

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax, being the tax effect of timing difference, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s). The rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**m. Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

**n. Contingent Liabilities**

Contingent liabilities as on 31.03.2014 is Rs. 24,13,009.00 on A/c. of Guarantee given by Bank on behalf of Company.

**o. Cash and cash Equivalents**

Cash and cash equivalent for the purpose of cash flow statement comprise cash at bank and in hand.

**p. Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the companies Act, 1956, the Company has elected to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of profit and Loss Account. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance cost, and tax expenses.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lacs)

| <b>3: SHARE CAPITAL</b>   | <b>As At<br/>31.03.2014</b> | <b>As At<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>Authorised shares</b><br>1,10,00,000 (P.Y.:1,10,00,000) Equity Shares of Rs.10/- each  | 1,100.00                    | 1,100.00                    |
| <b>Issued, Subscribed and Fully Paid Up Shares:</b><br>1,04,00,000 (P.Y.:1,04,00,000) Equity Shares of Rs.10/- each fully paid up | 1,040.00                    | 1,040.00                    |
| <b>Total Issued, Subscribed and fully Paid Up Share Capital</b>   | <b>1,040.00</b>             | <b>1,040.00</b>             |

1,03,90,000 shares out of the issued, subscribed and paid up share capital were allotted in the last five years.

**a. Reconciliation of the number of equity shares and amount outstanding at the the end of the reporting period:**

| Particular                                  | As at 31.03.2014 |                 | As at 31.03.2013 |                 |
|---|------------------|-----------------|------------------|-----------------|
|   | No. in lacs      | Rs. In lacs     | No. in lacs      | Rs. In lacs     |
| At the beginning of the period              | 104.00           | 1,040.00        | 104.00           | 1,040.00        |
| Issued during the period                    | -                | -               | -                | -               |
| <b>Outstanding at the end of the period</b> | <b>104.00</b>    | <b>1,040.00</b> | <b>104.00</b>    | <b>1,040.00</b> |

**b. Terms/rights attached to equity shares:**

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

**c. Details of shares held by the Holding Company, the ultimate Holding Company, their Subsidiaries and Associates:**

(Rs. in Lacs)

|  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| Rishi Laser Limited, the Holding Company<br>76,96,000 equity shares of Rs.10 each fully paid | 769.60                      | 769.60                      |

**d. Details of shares held by each Shareholder holding more than 5% shares:**

| Name of the Shareholder                | As at 31.03.2014 |                           | As at 31.03.2013 |                           |
|--|------------------|---------------------------|------------------|---------------------------|
|  | Number in lacs   | % of holding in the class | Number in lacs   | % of holding in the class |
| Equity shares of Rs.10 each fully paid |                  |                           |                  |                           |
| Rishi Laser Limited (Holding company)  | 76.96            | 74.00%                    | 76.96            | 74.00%                    |
| L&T Limited (Associate company)        | 27.04            | 26.00%                    | 27.04            | 26.00%                    |



(Rs. in Lacs)

| <b>4 : RESERVES AND SURPLUS</b>                             | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>Surplus / (Deficit) in Statement of Profit and Loss:</b> |                             |                             |
| Opening balance   | (20.44)                     | 107.42                      |
| Add: Profit / (Loss) for the year                           | (220.78)                    | (127.87)                    |
| <b>Net surplus in the Statement of Profit and Loss</b>      | <b>(241.22)</b>             | <b>(20.45)</b>              |

(Rs. in Lacs)

| <b>5 : LONG TERM BORROWING</b> | <b>Non-Current Portion</b>  |                             | <b>Current Portion</b>      |                             |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
| <b>(A) Term Loan From Bank</b> |                             |                             |                             |                             |
| Secured                        | 0.69                        | 199.85                      | 238.17                      | 224.30                      |
| <b>(B) From Other Parties</b>  |                             |                             |                             |                             |
| Unsecured                      | 11.66                       | 7.07                        | 24.34                       | 17.31                       |
| <b>Total</b>                   | <b>12.35</b>                | <b>206.92</b>               | <b>262.51</b>               | <b>241.61</b>               |

The Above unsecured Loan include Rs.28.80 lakhs from Rishi Laser Ltd.

#### Details of Term Loan from Banks

##### I) Loan from Canara Bank

(Rs. in Lacs)

| <b>Repayment Terms</b>   | <b>Outstanding<br/>Amount<br/>as on 31.03.14</b> | <b>Rate of<br/>interest</b> |
|--|--|-----------------------------|
| Monthly installment of Rs.16.67 Lacs from April-14 to March-15 | 235.52   | 14.95%                      |

Above Indian Rupee loan is secured by an exclusive charge on entire fixed assets including Land and Building of the Company at Doddaballapur and personal guarantee of Managing Director of the Company.

##### II) Term loan vehicle is secured against hypothecation of vehicles. This loan is repayable on demand and carries interest at 11.14%.

(Rs. in Lacs)

| <b>6 : DEFERRED TAX LIABILITIES (NET)</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Opening balance of Net deferred tax liability   | 67.39                       | 62.93                       |
| <b>Deferred tax liability</b>   |                             |                             |
| On difference between tax depreciation and depreciation charged for the financial reporting | (2.45)                      | 5.04                        |
| <b>Deferred tax assets</b>  |                             |                             |
| Provision for compensated absences, gratuity and other employee benefits                    | 0.83                        | 0.57                        |
| <b>Closing balance of net deferred tax liability</b>  | <b>64.11</b>                | <b>67.40</b>                |

(Rs. in Lacs)

| <b>7 : LONG TERM PROVISION</b>          | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>Provision for Employee Benefits:</b> |                             |                             |
| i) Provision for gratuity (net)         | 2.62                        | 1.71                        |
| ii) Leave Encashment (unfunded)         | 1.39                        | 1.22                        |
| <b>Total</b>                            | <b>4.01</b>                 | <b>2.93</b>                 |

(Rs. in Lacs)

| <b>8 : SHORT TERM BORROWINGS</b>                        | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Loans repayable on demand – From bank<br><b>Secured</b> | 429.27                      | 441.19                      |
| <b>Total</b>  | <b>429.27</b>               | <b>441.19</b>               |

**Notes:**

Working capital loan from bank is repayable on demand. The loan is secured by exclusive charge on the current assets of the Company. This loan is repayable on demand and carries interest at 15.45% p.a.

(Rs. in Lacs)

| <b>9 : TRADE PAYABLES</b>             | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Trade payables including acceptances* | 576.08                      | 336.54                      |
| <b>Total</b>                          | <b>576.08</b>               | <b>336.54</b>               |

\*Trade payable includes Payable to Holding Company of Rs.195.92 Lacs (P.Y. Rs.41.92 Lacs) and payable to Associate of Rs.4.39 Lacs (P.Y.Rs.49.59 Lacs).

(Rs. in Lacs)

| <b>10 : OTHER CURRENT LIABILITIES</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Current maturities of long term debt  | 262.51                      | 241.61                      |
| Advance from customers                | --                          | 5.18                        |
| Other liabilities                     | 4.16                        | 8.76                        |
| <b>Total</b>                          | <b>266.67</b>               | <b>255.55</b>               |

(Rs. in Lacs)

| <b>11 : SHORT TERM PROVISIONS</b>           | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>(a) Provision for employee benefits:</b> |                             |                             |
| (i) Provision for bonus                     | 2.55                        | 1.80                        |
| (ii) Provision for Gratuity liability       | 0.29                        | 0.19                        |
| (iii) Provision for leave encashment        | 0.46                        | 0.41                        |
| (iv) Employer contribution to PF            | 0.39                        | 0.39                        |
| (v) Employer contribution to ESIC           | 0.17                        | 0.16                        |
|   | <b>3.86</b>                 | <b>2.95</b>                 |
| <b>(b) Provision - Others:</b>              |                             |                             |
| (i) Provision for tax                       | 1.31                        | 1.31                        |
| Less:                                       |                             |                             |
| Advance tax payment                         | 3.00                        | 3.00                        |
| TDS receivable                              | 1.00                        | 0.60                        |
|   | <b>(2.69)</b>               | <b>(2.29)</b>               |
| (ii) Outstanding liabilities                | 4.26                        | 7.88                        |
| (iii) Others                                | 5.03                        | 2.52                        |
|   | <b>6.60</b>                 | <b>8.11</b>                 |
| <b>Total</b>                                | <b>10.46</b>                | <b>11.06</b>                |



**12 : FIXED ASSETS**

(Rs. in Lacs)

| Description                 | Gross Block              |              |           | Depreciation/Amortization |                          |               |                         | Net Block                |                  |                  |
|-----------------------------|--------------------------|--------------|-----------|---------------------------|--------------------------|---------------|-------------------------|--------------------------|------------------|------------------|
|                             | Balance as at 01/04/2013 | Additions    | Disposals | Balance as at 31/03/2014  | Balance as at 01/04/2013 | For the Year  | Deduction/ Adjust-ments | Balance as on 31/03/2014 | As on 31/03/2014 | As on 31/03/2013 |
| <b>1. Tangible Assets</b>   |                          |              |           |                           |                          |               |                         |                          |                  |                  |
| Freehold Land               | 231.29                   | -            | -         | 231.29                    | -                        | -             | -                       | -                        | 231.29           | 231.29           |
| Factory Building            | 148.38                   | -            | -         | 148.38                    | 17.68                    | 4.96          | -                       | 22.64                    | 125.74           | 130.70           |
| Plant & Machinery           | 1,464.68                 | 36.80        | -         | 1,501.48                  | 433.42                   | 154.72        | -                       | 588.14                   | 913.34           | 1,031.26         |
| Electrical Installation     | 27.62                    | -            | -         | 27.62                     | 8.75                     | 2.05          | -                       | 10.80                    | 16.82            | 18.87            |
| Tools & Dies                | 76.64                    | 5.36         | -         | 82.00                     | 25.42                    | 8.31          | -                       | 33.73                    | 48.27            | 51.22            |
| Furniture                   | 1.77                     | 0.39         | -         | 2.16                      | 0.33                     | 0.12          | -                       | 0.45                     | 1.71             | 1.44             |
| Fixtures                    | -                        | -            | -         | -                         | 0.00                     | 0.00          | -                       | -                        | -                | -                |
| Office Equipment            | 2.97                     | 0.00         | -         | 2.97                      | 0.54                     | 0.14          | -                       | 0.68                     | 2.29             | 2.43             |
| Computers                   | 2.73                     | 0.55         | -         | 3.28                      | 1.09                     | 1.00          | -                       | 2.09                     | 1.19             | 1.64             |
| Vehicles                    | 17.60                    | 0.00         | -         | 17.60                     | 1.98                     | 1.67          | -                       | 3.65                     | 13.95            | 15.62            |
| <b>Sub total</b>            | <b>1,973.68</b>          | <b>43.10</b> | <b>-</b>  | <b>2,016.78</b>           | <b>489.21</b>            | <b>172.97</b> | <b>-</b>                | <b>662.18</b>            | <b>1,354.60</b>  | <b>1,484.47</b>  |
| <b>2. Intangible Assets</b> |                          |              |           |                           |                          |               |                         |                          |                  |                  |
| Software                    | 0.14                     | -            | -         | 0.14                      | 0.01                     | 0.02          | -                       | 0.03                     | 0.11             | 0.13             |
| Firewall                    | 0.15                     | -            | -         | 0.15                      | 0.04                     | 0.02          | -                       | 0.06                     | 0.09             | 0.11             |
| <b>Sub total</b>            | <b>0.29</b>              | <b>0.00</b>  | <b>-</b>  | <b>0.29</b>               | <b>0.05</b>              | <b>0.04</b>   | <b>-</b>                | <b>0.09</b>              | <b>0.20</b>      | <b>0.24</b>      |
| <b>Grand Total</b>          | <b>1,973.68</b>          | <b>43.10</b> | <b>-</b>  | <b>2,017.07</b>           | <b>489.26</b>            | <b>173.01</b> | <b>-</b>                | <b>662.27</b>            | <b>1,354.80</b>  | <b>1,484.71</b>  |
| Previous year               | 1,616.28                 | 78.74        | -         | 1,973.97                  | 187.39                   | 139.47        | -                       | 489.26                   | 1,484.71         | -                |

(Rs. in Lacs)

| <b>13 : LONG TERM LOANS AND ADVANCES</b>         | <b>As at 31.03.2014</b> | <b>As at 31.03.2013</b> |
|--|-------------------------|-------------------------|
| <b>(a) Security Deposits</b>                     |                         |                         |
| Unsecured, considered good                       | 14.58                   | 25.67                   |
| <b>(b) Loans and advances to related parties</b> |                         |                         |
| Unsecured, considered good (Note:26)             | 32.91                   | 25.86                   |
| <b>Total</b>                                     | <b>47.49</b>            | <b>51.53</b>            |

(Rs. in Lacs)

| <b>14 : INVENTORIES</b>   | <b>As at 31.03.2014</b> | <b>As at 31.03.2013</b> |
|---|-------------------------|-------------------------|
| (a) Raw Materials (Valued at Cost on Weighted Average)  | 101.97                  | 99.87                   |
| (b) Work-in-progress<br>(Valued at Cost representing materials, labour and apportioned overheads) | 225.12                  | 173.86                  |
| (c) Stores and Spares (Valued at Cost on Weighted Average)  | 37.95                   | 32.29                   |
| <b>Total</b>  | <b>365.04</b>           | <b>306.02</b>           |

(Rs. in Lacs)

| <b>15 : TRADE RECEIVABLES</b>          | <b>As at 31.03.2014</b> | <b>As at 31.03.2013</b> |
|--|-------------------------|-------------------------|
| <b>(Unsecured and considered good)</b> |                         |                         |
| Over six months                        | 72.44                   | 0.77                    |
| Others*                                | 243.49                  | 389.62                  |
| <b>Total</b>                           | <b>315.93</b>           | <b>390.39</b>           |

\*Trade Receivable includes receivable from holding Company of Rs.104.29 Lacs (P.Y.Rs.45.73 Lacs) and receivable from associate of Rs.NIL (P.Y.Rs.246.26 Lacs).

(Rs. in Lacs)

| <b>16 : CASH AND CASH EQUIVALENTS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| (a) Cash in hand                      | 0.06                        | 0.22                        |
| (b) Balances with banks               |                             |                             |
| In current accounts                   | 0.35                        |                             |
| In Margin and Deposit account         | 6.25                        | 1.78                        |
| <b>Total</b>                          | <b>6.66</b>                 | <b>2.00</b>                 |

(Rs. in Lacs)

| <b>17 : SHORT TERM LOANS AND ADVANCES</b>                       | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| <b>(a) Loans and Advances to Related Parties</b>                |                             |                             |
| Unsecured, considered good                                      | -                           | 4.11                        |
| <b>(b) Prepaid Expenses</b>                                     | 2.06                        | 2.35                        |
| <b>(c) Balances with Government Authorities</b>                 |                             |                             |
| Unsecured, considered good                                      |                             |                             |
| (i) CENVAT credit   | 0.57                        | 0.40                        |
| (ii) VAT credit   | 0.00                        | 30.64                       |
| (iii) Service Tax credit  | 2.71                        | -                           |
| (iv) Balance with custom, excise etc.                           | 1.27                        | 2.34                        |
|   | <b>4.55</b>                 | <b>33.38</b>                |
| <b>(d) Others-Unsecured, Considered Good</b>                    |                             |                             |
| Advance recoverable in cash or kind or for value to be received | 54.69                       | 56.15                       |
| <b>Total</b>  | <b>61.30</b>                | <b>95.99</b>                |

(Rs. in Lacs)

| <b>18 : REVENUE FROM OPERATIONS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|-------------------------------------|-----------------------------|-----------------------------|
| Sale of products                    | 2,323.90                    | 3,493.50                    |
| Less:                               |                             |                             |
| Excise duty                         | 262.81                      | 396.96                      |
| <b>Total</b>                        | <b>2,061.09</b>             | <b>3,096.54</b>             |

(Rs. in Lacs)

| <b>19 : OTHER INCOME</b>   | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| <b>Interest Income on:</b>   |                             |                             |
| Others Interest  | 1.32                        | 1.57                        |
| <b>Others:</b>   |                             |                             |
| Net profit/(loss) on foreign currency transactions and translation | 0.05                        | 0.35                        |
| <b>Total</b>   | <b>1.37</b>                 | <b>1.92</b>                 |



(Rs. in Lacs)

| <b>20 : COST OF RAW MATERIAL AND COMPONENTS CONSUMED</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| Opening stock  | 99.87                       | 141.73                      |
| Add: Purchases   | 1,515.84                    | 2,183.47                    |
|  | 1,615.71                    | 2,325.20                    |
| Less: Closing stock                                      | 101.97                      | 99.87                       |
| <b>Cost of material consumed</b>                         | <b>1,513.74</b>             | <b>2,225.33</b>             |

(Rs. in Lacs)

| <b>21 : CHANGES IN INVENTORIES OF FINISHED GOODS,<br/>WORK-IN-PROGRESS AND STOCK IN TRADE</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Inventories at the end of the year: Work-in-progress  | 225.12                      | 173.86                      |
| Inventories at the beginning of the year: Work-in-progress                                    | 173.86                      | 130.53                      |
| <b>Net (increase)/decrease</b>  | <b>(51.26)</b>              | <b>(43.33)</b>              |

(Rs. in Lacs)

| <b>22 : EMPLOYEE BENEFIT EXPENSES</b>    | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| Salaries, wages and bonus                | 239.23                      | 278.83                      |
| Other post Employment funds              | 2.42                        | 2.49                        |
| Contribution to provident and other fund | 4.01                        | 3.87                        |
| Gratuity Expenses (Note: 25)             | 1.01                        | (0.33)                      |
| Workmen and staff welfare expenses       | 7.77                        | 7.36                        |
| <b>Total</b>                             | <b>254.44</b>               | <b>292.22</b>               |

(Rs. in Lacs)

| <b>23 : OTHER EXPENSES</b>              | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|---|-----------------------------|-----------------------------|
| Consumption of Stores and Spares        | 106.42                      | 164.81                      |
| Power and fuel                          | 34.66                       | 42.77                       |
| Rent including lease rentals            | 0.72                        | 0.72                        |
| Repairs and maintenance - Machinery     | 8.67                        | 29.04                       |
| Repairs and maintenance - Others        | 2.86                        | 2.51                        |
| Repairs and maintenance - Building      | 0.00                        | 1.08                        |
| Insurance                               | 1.54                        | 1.05                        |
| Rates and taxes                         | 3.65                        | 3.36                        |
| Communication                           | 1.87                        | 1.70                        |
| Travelling and conveyance               | 4.69                        | 4.82                        |
| Printing and stationery                 | 1.83                        | 2.17                        |
| Donations and contributions             | 0.05                        | 0.00                        |
| Legal and professional                  | 19.15                       | 15.29                       |
| Payments to auditors (Refer Note below) | 2.83                        | 2.55                        |
| Factory expenses                        | 3.41                        | 3.90                        |
| Gas cylinder rent                       | 4.15                        | 4.09                        |
| Processing charges                      | 47.78                       | 95.62                       |

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Loss on sale of assets           | (2.30)        | 3.30          |
| Security charges                 | 7.30          | 7.40          |
| Training expenses                | 1.55          | 6.02          |
| Selling and distribution expense | 8.26          | 13.99         |
| Prior period items               | 0.00          | 1.09          |
| Miscellaneous expenses           | 1.66          | 1.56          |
| <b>Total</b>                     | <b>260.75</b> | <b>408.84</b> |

**Notes:**

(Rs. in Lacs)

| Particulars                                | As at<br>31.03.2014 | As at<br>31.03.2013 |
|--|---------------------|---------------------|
| <b>Payments to the Auditors Comprises:</b> |                     |                     |
| As auditors - statutory audit              | 2.00                | 2.00                |
| As auditors - tax audit                    | 0.50                | 0.50                |
| Reimbursement of expenses                  | 0.33                | 0.05                |
| <b>Total</b>                               | <b>2.83</b>         | <b>2.55</b>         |

(Rs. in Lacs)

| <b>24 : FINANCE COST</b>                  | As at<br>31.03.2014 | As at<br>31.03.2013 |
|---|---------------------|---------------------|
| Interest                                  | 132.22              | 171.16              |
| Bank charges and other financial expenses | 3.61                | 3.21                |
|   | <b>135.83</b>       | <b>174.37</b>       |

(Rs. in Lacs)

| <b>25A : GRATUITY AND OTHER<br/>POST EMPLOYMENT BENEFIT PLAN</b>          | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Components of employer expense  |                     |                     |                     |                     |
| Current service cost  | 0.60                | 0.73                | 0.84                | 0.76                |
| Interest cost   | 0.13                | 0.11                | 0.15                | 0.12                |
| Actuarial losses/(gains)  | (0.30)              | (0.02)              | 0.02                | (0.11)              |
| <b>Total expense recognized in the Statement<br/>of Profit &amp; Loss</b> | <b>0.43</b>         | <b>0.82</b>         | <b>1.01</b>         | <b>0.77</b>         |

(Rs. in Lacs)

| <b>25B : NET ASSETS/LIABILITY<br/>RECOGNIZED IN THE BALANCE SHEET</b> | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Present value of defined benefit obligation                           | 1.85                | 1.63                | 2.91                | 1.90                |
| Fair value of plan assets   | -                   | 0.00                | 0.00                | 0.00                |
| Unfunded liability  | 1.85                | 1.63                | 2.91                | 1.90                |
| Unrecognized past service costs                                       | 0.00                | 0.00                | 0.00                | 0.00                |
| <b>Unfunded Liability Recognized in the<br/>Balance Sheet</b>         | <b>1.85</b>         | <b>1.63</b>         | <b>2.91</b>         | <b>1.90</b>         |





(Rs. in Lacs)

| 25C : CHANGE IN DEFINED<br>BENEFIT OBLIGATION DURING THE YEAR | Leave Encashment    |                     | Gratuity            |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Present value of DBO at beginning of the year                 | 1.63                | 1.38                | 1.90                | 2.23                |
| Current service cost  | 0.60                | 0.73                | 0.83                | 0.80                |
| Interest cost   | 0.13                | 0.11                | 0.15                | 0.18                |
| Benefits paid   | 0.20                | 0.56                | 0.00                | 0.00                |
| Actuarial (gains) / losses                                    | (0.30)              | (0.02)              | 0.02                | (1.31)              |
| Present value of DBO at the end of the year                   | <b>1.86</b>         | <b>1.64</b>         | <b>2.90</b>         | <b>1.90</b>         |

(Rs. in Lacs)

| 25D : CHANGE IN PLAN ASSETS                            | Leave Encashment    |                     | Gratuity            |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2014 | As at<br>31.03.2013 | As at<br>31.03.2014 | As at<br>31.03.2013 |
| Fair value of plan assets at the beginning of the year | Nil                 | Nil                 | Nil                 | Nil                 |
| Actual return on plan assets                           | N.A.                | N.A.                | N.A.                | N.A.                |
| Employer's contribution                                | N.A.                | N.A.                | N.A.                | N.A.                |
| Benefits paid during the period                        | N.A.                | N.A.                | N.A.                | N.A.                |
| Fair value of plan assets at year end                  | Nil                 | Nil                 | Nil                 | Nil                 |

| 25E : ACTUARIAL ASSUMPTION     | Leave Encashment                           |  | Gratuity                                   |  |
|--------------------------------|--|--|--|--|
|                                | As at<br>31.03.2014                        | As at<br>31.03.2013                        | As at<br>31.03.2014                        | As at<br>31.03.2013                        |
| Discount rate                  | 8% p.a.                                    | 8% p.a.                                    | 8% p.a.                                    | 8% p.a.                                    |
| Expected return on plan assets | N.A.                                       | N.A.                                       | N.A.                                       | N.A.                                       |
| Salary escalation              | 5% p.a.                                    | 5% p.a.                                    | 5% p.a.                                    | 5% p.a.                                    |
| Mortality tables               | LIC(1994-96)<br>Mortality<br>(2006-08) Ult | LIC(1994-96)<br>Mortality<br>(2006-08) Ult | LIC(1994-96)<br>Mortality<br>(2006-08) Ult | LIC(1994-96)<br>Mortality<br>(2006-08) Ult |

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

**26 : RELATED PARTY DISCLOSURE****Details of Related Parties:**

| Description of Relationship   | Names of Related Parties   |
|-------------------------------|--|
| Holding Company<br>Associates | Rishi Laser Limited.<br>L & T Finance Ltd.<br>L & T Komatsu Ltd.<br>L & T Ltd. |

(Rs. in Lacs)

|  | Holding Company | Associate  | KMP    | Total      |
|--|-----------------|------------|--------|------------|
| Purchase of goods                                  | 130.05          | 25.17      | -      | 155.22     |
|  | (164.82)        | (50.16)    | -      | (214.98)   |
| Sale of goods                                      | 70.21           | 1,619.68   | -      | 1,689.89   |
|  | (147.10)        | (2,577.38) | -      | (2,724.48) |
| Purchase of fixed assets                           | 37.71           | -          | -      | 37.71      |
|  | (5.69)          | -          | -      | (5.69)     |
| Receiving of services                              | 15.54           | -          | -      | 15.54      |
|  | (13.15)         | -          | -      | (13.15)    |
| Interest paid                                      | -               | 28.16      | -      | 32.65      |
|  | -               | (39.70)    | -      | (39.70)    |
| Remuneration, rent, commission                     | -               | -          | 0.72   | 0.72       |
|  | -               | -          | (0.72) | (0.72)     |
| <b>Balances outstanding at the end of the year</b> |                 |            |        |            |
| Trade receivables                                  | 104.29          | 0.00       | -      | 104.29     |
|  | (45.73)         | (246.26)   | -      | (291.99)   |
| Loans and advances                                 | 32.91           | 0.00       | -      | 32.91      |
|  | (25.86)         | (4.11)     | -      | (29.97)    |
| Trade payables                                     | 195.92          | 4.39       | -      | 200.31     |
|  | (41.92)         | (49.59)    | -      | (91.51)    |
| Unsecured Loan                                     | 28.81           | -          | -      | 28.81      |

Note: Figures in bracket relates to the previous year.

| <b>27 : EARNING PER SHARE (EPS)</b>  | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| (i) Net profit after tax as per<br>Statement of Profit and Loss attributable to equity                 | (220.78)                    | (127.87)                    |
| (ii) Weighted average number of equity shares used as denominator<br>for calculating EPS (Rs. in Lacs) | 104.00                      | 104.00                      |
| (iii) Basic EPS (in Rs.)   | (2.12)                      | (1.23)                      |
| (iv) Diluted EPS (in Rs.)  | (2.12)                      | (1.23)                      |
| (v) Face value per equity share (in Rs.)   | 10.00                       | 10.00                       |

(Rs. in Lacs)

| <b>28 : VALUE OF IMPORTS CALCULATED ON CIF BASIS</b> | <b>As at<br/>31.03.2014</b> | <b>As at<br/>31.03.2013</b> |
|--|-----------------------------|-----------------------------|
| Components & Spare parts                             | 13.36                       | 10.12                       |
|  | <b>13.36</b>                | <b>10.12</b>                |



(Rs. in Lacs)

| <b>29 : IMPORTED AND INDIGENOUS<br/>RAW MATERIALS, COMPONENTS AND<br/>SPARE PARTS CONSUMED</b> | <b>As at<br/>31.03.2014<br/>%</b> | <b>As at<br/>31.03.2014<br/>Rs.</b> | <b>As at<br/>31.03.2013<br/>%</b> | <b>As at<br/>31.03.2013<br/>Rs.</b> |
|--|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| Raw Material - Indigenous  | 100.00                            | 1,513.74                            | 100.00                            | 2,225.33                            |
|  | <b>100.00</b>                     | <b>1,513.74</b>                     | <b>100.00</b>                     | <b>2,225.33</b>                     |
| Spare & Components   |                                   |                                     |                                   |                                     |
| Indigenous   | 77.87                             | 82.87                               | 96.61                             | 159.22                              |
| Imported   | 22.13                             | 23.56                               | 3.39                              | 5.59                                |
|  | <b>100.00</b>                     | <b>106.43</b>                       | <b>100.00</b>                     | <b>164.81</b>                       |

**30 : DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**

Pursuant to the Micro, Small and Medium Enterprise Development Act, 2006, the Company had asked for confirmation from its vendors regarding their status under the said Act. The Company is yet to receive verifiable confirmations from the vendors and hence the amounts unpaid as at the year end together with interest payable if any, under this Act have not been given.

**31 : CONTINGENT LIABILITIES**

Guarantee given by banks on behalf of company Rs. 24,13,009.00

As per our report of even date  
**For Alladi Krishnan & Kumar**  
**Firm's Registration No.100282W**  
Chartered Accountants

**For Rishi Consfab Private Limited**

**Chairman**  
Harshad B. Patel

**Directors**  
Ganesh P. Agrawal  
Abhay Thosar  
K.P. Ananthagopal  
Sanjay Hindlekar

**Ajit S. Datar**  
**Partner**  
Membership No.036274  
Place: Mumbai  
Date : 17<sup>th</sup> May, 2014

**RISHI LASER LIMITED****CIN: L99999MH1992PLC066412****Regd. Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street,  
Byculla (W), Mumbai - 400 011****Tel No. 022-23075677/23074585, Fax No. 022-23080022,****Email: rlcl.mumbai@rishilaser.com, Website: www.rishilaser.com****PROXY FORM***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-Mail Id : \_\_\_\_\_  
Folio No/Client Id : \_\_\_\_\_  
DP Id : \_\_\_\_\_

I/We, being the member(s) of .....shares of the above mentioned company, hereby appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-Mail Id: \_\_\_\_\_  
Signature:.....or failing him/her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-Mail Id: \_\_\_\_\_  
Signature:.....or failing him/her
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-Mail Id: \_\_\_\_\_  
Signature:.....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Twenty Second Annual general meeting to be held on Tuesday, 30<sup>th</sup> September, 2014 at 11.30 a.m at Indian Merchants' Chamber, Killachand Conference Room, 2nd Floor, IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolution For   |
|----------------|--|
|                | <b>ORDINARY BUSINESS</b>   |
| 1              | Ordinary Resolution for adoption of Accounts   |
| 2              | Ordinary Resolution for appointment of Director in place of Mr. Jayesh Sheth who retires by rotation and being eligible offers himself for reappointment       |
| 3              | Ordinary Resolution for appointment of Auditors and to fix their remuneration  |
|                | <b>SPECIAL BUSINESS</b>  |
| 4              | Special resolution for Re-appointment Mr. Harshad Patel as Managing Director   |
| 5              | Special Resolution under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 for borrowing money and creation of security on the properties of Company. |
| 6              | Ordinary Resolution for appointment and remuneration of the Cost Auditors  |
| 7              | Ordinary Resolution for appoint Mr. Vasant Goray as an Independent Director  |



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

Signature of Shareholder.....

Signature of Proxy Holders(s) .....



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

---

## RISHI LASER LIMITED

**CIN: L99999MH1992PLC066412**

**Regd. Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street,  
Byculla (W), Mumbai - 400 011**

**Tel No. 022-23075677/23074585, Fax No. 022-23080022,**

**Email: [rlcl.mumbai@rishilaser.com](mailto:rlcl.mumbai@rishilaser.com), Website: [www.rishilaser.com](http://www.rishilaser.com)**

### ATTENDANCE SLIP

Regd. Folio ----- .

22<sup>nd</sup> Annual General Meeting

To be handed over at the entrance of the meeting venue.

.....

Name of the attending member (in block letters)

.....

Name of Proxy (in block letter to be filled in by the proxy attending instead of the members.

No. of Shares held. ....

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting at Indian Merchants' Chamber, Killachand Conference Room, 2nd Floor, IMC Marg, Churchgate, Mumbai 400 020, on 30<sup>th</sup> September, 2014 at 11.30 a.m.

Member's / Proxy's Signature

**Notes:**

1. Interested joint shareholders may obtain attendance slip from the Registered Office of the Company.
2. Shareholders/joint shareholders proxies are requested to bring the attendance slip with them. Duplicate slip will not be issued at the entrance of the venue.



*If undelivered, please return to :*

**RISHI LASER LTD.**  
**CIN : L99999MH1992PLC066412**

Regd. Office :

612 Veena Killedar Indl. Estate, 10/14 Pais Street, Byculla (W), Mumbai 400 011.

Tel. No. 022 - 23075677 / 23074585 | Fax No. 022-23080022

E-mail: [rlcl.mumbai@rishilaser.com](mailto:rlcl.mumbai@rishilaser.com) | Website: [www.rishilaser.com](http://www.rishilaser.com)