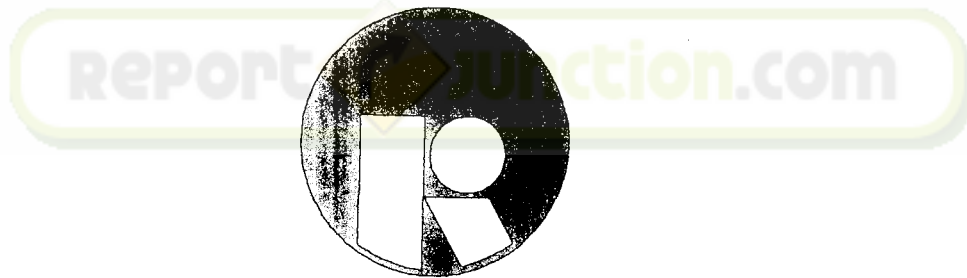


MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

16TH

ANNUAL REPORT

1997 - 98



RITESH INTERNATIONAL LIMITED

When the Motto is "Profits through Growth" Success is fully assured





BOARD OF DIRECTORS : Pran Arora *Chairman*
Rajiv Arora *Managing Director*
J. P. Gupta *Director*
B. B. Jindal *Director*
Suman Arora *Director*
D. S. Dhaliwal *Director (Nominee of PSIDC)*

COMPANY SECRETARY : B. R. Gulati

BANKERS : Punjab National Bank,
G. T. Road, Ludhiana.

AUDITORS : M/s. Bhushan Aggarwal & Co.
Chartered Accountants
Ludhiana-141004.

WORKS : Village Akbarpura,
Ahmedgarh,
Distt. Sangrur.

REGD. OFFICE : 356, Industrial Area, 'A'
Ludhiana - 141003.

SHARE DEPARTMENT : 6, Ram Vihar,
Delhi - 110092.



NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Company will be held on Saturday, the 26th day of December, 1998 at Sukhchain Roller Flour Mills, Focal Point, Ludhiana-141010 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1998 and Profit and Loss Account for the year ended on that date and Report of the Directors' & Auditors' thereon.
2. To appoint a Director in place of Shri Pran Arora, who retires by rotation and, being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri B. B. Jindal, who retires by rotation and, being eligible, offer himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. M/s. Bhushan Aggarwal & Co. Chartered Accountants, who retire on the conclusion of this meeting, being eligible offer themselves for re-appointment.

By order of the Board
For Ritesh International Ltd.

Place : Ludhiana
Dated : 20.11.1998

Sd/-
(Rajiv Arora)
Managing Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting. A blank copy of proxy form is enclosed herewith.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24-12-1998 to 26-12-1998 (both days inclusive).
3. Any member of the Company on demand shall be entitled to be furnished free of cost, a copy of Balance Sheet of the Company and of every document required by law to be annexed or attached thereto including Profit & Loss Account and the Auditors' Report. Copies of these documents will also be kept open for inspection for 21 days before the date of the meeting.
4. Members are requested to intimate the change if any, in their registered address immediately.
5. Members are requested to bring their copy of Annual Report alongwith them as copies of the Report will not be distributed at the meeting.
6. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
7. Any query relating to Annual Accounts or otherwise must be sent to the Registered Office of the Company atleast 10 days before the date of meeting.

By order of the Board
For Ritesh International Ltd.

Place : Ludhiana
Dated : 20.11.1998

Sd/-
(Rajiv Arora)
Managing Director



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 30th June, 1998.

FINANCIAL RESULTS

	1997-98 (Rs.)	1996-97 (Rs.)
Operating Income	130085153	133511579
Profit before Depreciation	5223891	5108709
Less : Depreciation	4969229	4720004
Profit before Tax	254662	388705
Provision for Tax	200000	-
Profit after Tax	54662	388705
Add : Balance Brought Forward	13677318	68288613
Profit available for appropriation	13731980	68677318

APPROPRIATION

Transfer to Investment	-	-
Allowance Reserve	-	-
General Reserve	-	55000000
Dividend	-	-
Balance Carried to Balance Sheet	13731980	13677318
	<u>13731980</u>	<u>68677318</u>

OPERATIONS

Despite the overall recession in the market your Company has been able to sustain itself and achieved a turnover of Rs. 1300.85 Lacs.

The profit before depreciation and tax during the year has been Rs. 52.24 Lacs. And after the depreciation of Rs. 49.69 Lacs and tax of Rs. 2.00 Lacs, the operations of the Company have resulted in a net profit of Rs. 0.55 Lacs during the year.

DIVIDEND

In the absence of adequate profits during the year under review, your Directors do not recommend any dividend to the share holders.

DIRECTORS

Shri Pran Arora & Shri B. B. Jindal, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the year under review.



AUDITORS

The Auditors M/s. Bhushan Aggarwal & Co., Ludhiana, retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that the re-appointment if made, will be in accordance with Sub- Section (1B) of Section 224 of the Companies Act, 1956. As regards Auditors' observations, the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

Information as per Section 217(1) (e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure forming part of this Report.

PERSONNEL

The Management - employees relations remained very cordial throughout the year. Your Directors wish to place on record their appreciation of devoted services rendered by all the workers and staff of the Company at all levels.

PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956

As no employee was in receipt of remuneration exceeding Rs. 3,00,000/- per annum or Rs. 25,000/- per month or more or for any part thereof, so information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are not required.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the continuing co-operation and assistance rendered by the Financial Institutions, Banks, Government Agencies, Suppliers and other organisations in the working of the Company.

For & on behalf of the Board

Place : Ludhiana
Dated : 20.11.1998

Sd/-
(Pran Arora)
Chairman

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE, 1998.

I. CONSERVATION OF ENERGY

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| a) Energy Conservation measure taken | N. A. |
| b) Additional investment and proposal, if any being implemented for reduction of conservation of energy | N. A. |
| c) Impact of the measure at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods | N. A. |
| d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION AS PER FORM 'A' OF THE ANNEXURE TO THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULED THERETO : | |


RITESH
INTERNATIONAL LIMITED

A. POWER AND FUEL CONSUMPTION	1997-98	1996-97
1. ELECTRICITY		
a) Purchased		
Units (in Lacs)	27.51	21.55
Total Amount (Rs. in Lacs)	61.89	45.26
Rate/units (Rs.)	2.25	2.10
b) Own Generation		
i) Through Diesel Generator		
Units (in Lacs)	7.50	8.78
Units per litre of diesel oil	7.25	6.05
Cost/Unit (Rs.)	3.50	2.95
ii) Through Steam Turbine Generator		
Units	-	-
Units per litre of fuel/oil/gas	-	-
Cost per Unit (Rs.)	-	-
2. COAL (STEAM)		
Quantity (Tonnes)	NIL	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
3. FURNACE OIL		
Quantity (Ltr.)	-	-
Total Amount	-	-
Average Rate	-	-
4. OTHER/INTERNAL GENERATION		
Quantity	-	-
Total Cost	-	-
B. CONSUMPTION PER UNIT OF PRODUCTION/PRODUCT *		
Product		
Electricity	-	-
Furnace Oil	-	-
Coal	-	-
Others	-	-

* In view of various items produced, it is not possible to give the required information.

II. TECHNOLOGY ABSORPTION

Not Applicable

III. FOREIGN EXCHANGE EARNINGS & OUTGO

a) Activities relating to exports, initiatives taken to increase export markets for products and services and export plans.		Not Applicable
b) Total Foreign Exchange used and earned.		
Used	NIL	NIL
Earned	93.92 Lacs	262.78 Lacs

For & on behalf of the Board

 Place : Ludhiana
 Dated : 20.11.1998

 Sd/-
 (Pran Arora)
 Chairman



AUDITORS' REPORT

To
The Members of
Ritesh International Limited
Ludhiana

We have audited the attached Balance Sheet of **Ritesh International Limited** as at 30th June, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto, and report that :-

1. As required by the Manufacturing and other Companies (Auditors' Report) order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :
 - a) We have obtained all the information and explanations which is to 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 appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account;
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Statement of Accounts read with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 30th June, 1998 and
 - ii) in the case of Profit & Loss Account, of the profit for the year ended on that date.

For **Bhushan Aggarwal & Co.**
Chartered Accountants

Place : Ludhiana
Dated : 20.11.1998

Sd/-
(**S. B. Aggarwal**)
Prop.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our report of even date.)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Management has informed that physical verification of all the major items of fixed assets has been carried out during the year and no material discrepancies were noticed on such verification.
2. The Company has revalued the land and building situated at its works i. e. Mandi Ahmedgarh in the year 1995-96.
3. In our opinion and according to the explanations given to us, the physical verification of finished goods, stores, spare parts and raw materials was conducted by the Management, wherever practicable, during the year except stocks lying with third parties. In our opinion, the frequency of verification of stocks is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
6. In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in previous year.