



26th

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Annual Report

2007-2008

RITESH INTERNATIONAL LIMITED



MANAGEMENT

BOARD OF DIRECTORS

Chairman	Sh. Pran Arora
Managing Director	Sh. Rajiv Arora
Directors	Sh. Bharti Bhushan Jindal Sh. Raj Kumar Sood Sh. Ashok Kumar Mehta
Auditor	M/s Bhushan Aggarwal & Co. 678, Aggar Nagar Ludhiana - 141012
Bankers	ING Vysya Bank Ltd. 630, Gurudev Nagar, Ludhiana. Allahabad Bank Clock Tower, Ludhiana.
Works	Momnabad Road, Akbarpura, Ahmedgarh, Distt. Sangrur (Punjab)
Registered Office	356, Industrial Area-A Ludhiana - 141 003

26 th ANNUAL GENERAL MEETING		CONTENTS	PAGE NO.
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Date	: 18th September, 2008	Director's Report	3
Time	: 11:00 A. M.	Management Discussion & Analysis	5
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RITESH
INTERNATIONAL LIMITED

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Ritesh International Limited will be held on Thursday, 18th day of September, 2008 at 11.00 A.M at Ritesh Premises, Focal Point, Phase-VIII, Chandigarh Road, Ludhiana-141011 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2008 and Profit & Loss Account for the year ended on that date alongwith the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of **Sh. Bharti Bhushan Jindal**, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, consent of the Company, be and is hereby accorded for increase in remuneration of **Sh. Rajiv Arora**, Managing Director of the Company from existing Rs. 42,000/- per month to Rs. 96,000/- per month w.e.f. 1st April, 2008 for remaining period of his appointment i.e. upto 31st July 2010 as set out in the explanatory statement to resolution with liberty to the board of directors (herein after referred to as "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the said remuneration in such form and manner or with such modifications as the Board may deem fit and agreed to by **Sh. Rajiv Arora**."

"Resolved further that notwithstanding anything here in above stated where in any financial year, the company incurs a loss or its profits are inadequate, the company shall pay **Sh. Rajiv Arora**, Managing Director remuneration of Rs. 96,000/- as minimum remuneration"

"Resolved further that the Board of Directors be is hereby authorised to take such steps as may be

required to give effect to this resolution"

"RESOLVED FURTHER THAT all other terms & conditions of their appointment shall remain the same."

By Order of the Board
For **RITESH INTERNATIONAL LIMITED**
sd/-
(Pran Arora)
Chairman

Place: Ludhiana
Date: 31.05.2008

NOTES:

- i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and the proxy need not be a member of the Company. Proxy Form in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. The blank copy proxy form is enclosed herewith.
- ii) The register of members and the share transfer books of the company will remain closed from 16th September, 2008 to 18th September, 2008 (both days inclusive).
- iii) Any member of the company on demand shall be entitled to be furnished free of cost, a copy of the Balance Sheet of the company and of every document required by the law to be annexed thereto including the Profit & Loss Account and the Auditor's Report. Copies of these documents will also be kept open for 21 days before the date of the meeting
- iv) Members are requested to bring their copies of Annual Reports along with them, as copies of the report will not be distributed at the meeting.
- v) Members/proxies are requested to bring their attendance slips sent herewith duly filled in for attending the meeting.
- vi) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.

By Order of the Board
For **RITESH INTERNATIONAL LIMITED**
sd/-
(Pran Arora)
Chairman

Place: Ludhiana
Date: 31.05.2008


RITESH
 INTERNATIONAL LIMITED

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Directors seeking appointment/re-appointment.

1. Name : Sh. Bharti Bushan Jindal
 Age : 67 years
 Qualification : B.E.
 Expertise : Having more than 40 years of experience in Business

The Board recommends the resolution for the approval of the members.

None of the Directors except Sh. Rajiv Arora and Mr. Pran Arora are in any way concerned or interested in the proposed resolution.

By Order of the Board

For RITESH INTERNATIONAL LIMITED
 sd/-
 (Pran Arora)
 Chairman

Directorships/membership in the committees of the Board in other Companies

Name of the Company	Committee	Status
1. H. B. Fibres	---	Director
2. Ritesh International Limited	Remuneration	Director

Place: Ludhiana
 Date: 31.05.2008

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

Item No.4

Mr. Rajiv Arora was re-appointed as Managing Director of the Company for a period of five years w.e.f. 01.08.2005 at a salary of Rs. 35,000/- 3500/- 49,000/- Since with the increase in volume of business the work load of Mr. Rajiv Arora has considerably increased, the Remuneration Committee has approved the increase in remuneration of Sh. Rajiv Arora effective from Rs. 42,000/- per month to Rs. 96,000/- per month w.e.f. 1st April, 2008 for the remaining period of his appointment i.e. upto 31st July 2010, subject to the approval of the members of the Company.

Minimum Remuneration

In absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Sh. Rajiv Arora.

Pursuant to the provision of Section 269 read with Schedule XIII of the Companies Act, 1956, the approval of the members is required to be obtained

for increase in remuneration of Sh. Rajiv Arora w.e.f. 01.04.2008 as proposed in the resolution.


RITESH
INTERNATIONAL LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Twenty Sixth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

Amount (Rs. In Lacs)		
Particulars	2007-08	2006-07
Operating income	1320.53	996.10
Profit/(Loss) before Depreciation	70.37	2.15
Less: Depreciation	52.27	50.83
Profit/(Loss) for the year before Tax	18.10	(48.68)
Provision for taxation	2.54	(0.51)
Profit/(Loss) after Tax	15.56	(49.19)

OPERATIONAL REVIEW

During the year under review your company's operating income was of Rs. 1320.53 lacs. The company has earned a profit of Rs. 15.56 lacs during the period under review.

DIRECTORS

Sh. Bharti Bhushan Jindal, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

DIVIDEND

In the absence of adequate profits during the year under review your directors do not recommended any dividend to the share holders.

PUBLIC DEPOSITS

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

AUDITORS

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

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 and forming part of the Directors Report for the year ended 31st March, 2008

- That in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made

judgements 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, 2008 and other Statements of Accounts of the Company for the year ended 31st March, 2008.

- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the annual accounts on a going concern basis.

COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit committee as on 31st March 2008 is as under.

- Sh. Pran Arora
- Sh. Rajiv Arora
- Sh. Ashok Kumar Mehta

COMPOSITION OF REMUNERATION COMMITTEE

- Sh. Pran Arora
- Sh. Bharti Bhushan Jindal
- Sh. Ashok Kumar Mehta

PAYMENT OF LISTING FEE:

The company is in the process of delisting with Delhi Stock Exchange and Kolkatta Stock Exchange. Listing fees of Kolkatta Stock Exchange is payable. There are no dues pending with Delhi Stock Exchange. Also, the listing fees of The Stock Exchange, Mumbai has been duly paid.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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 sincere and devoted services rendered by all the workers and staff at all levels.

PARTICULARS OF EMPLOYEES U/S 217(1A) OF THE COMPANIES ACT, 1956

There was no employee who falls under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 2002.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board
For RITESH INTERNATIONAL LIMITED
sd/-

Place: Ludhiana
Date: 31.05.2008

(Pran Arora)
Chairman


RITESH
INTERNATIONAL LIMITED

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 31ST MARCH 2008
I. CONSERVATION OF ENERGY

- a) Energy Conversation measures taken. Efforts are made to reduce energy consumption
- b) Additional investment and proposal, if any being implemented for reduction or conversation of energy. N.A
- c) Impact of the measures at (a & b) above for reduction of energy consumption and consequent impact on the cost of production of goods. Energy Consumption has reduced

A. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure in respect of industries specified in the schedule thereto:
A. POWER AND FUEL CONSUMPTION

Particulars	Units	2007-2008	2006-2007
1. Electricity			
a) Purchased			
Units (in lacs)	kwh	18.95	21.23
Total Amount	Rs. in Lacs	89.19	95.34
Rate/unit	Rs./kwh	4.71	4.49
b) [Own Generation]			
i) Through Diesel Generator			
Units (in Lacs)	kwh	0.13	0.29
Units/litre of diesel	kwh	4.50	5.00
Cost/Unit	Rs/kwh	6.74	6.20
ii) Through Steam Turbine generator			
Units (in Lacs)	---	---	---
Units/tonne of Steam	---	---	---
Cost/Unit	---	---	---
2. Coal (Steam)			
Quantity (Tonnes)	---	---	---
Total Cost (Rs. in lacs)	---	---	---
Average Rate (Rs.)	---	---	---
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 item produced/manufactured, it is not possible to give the required information.

II. TECHNOLOGY ABSORPTION

The Company does not depend on foreign technology for the production of Steric Acid, Industrial hard oil, Fatty acid etc. In fact, the Company is self-reliant in this field.

RESEARCH AND DEVELOPMENT:
A. Specified Areas in which R & D is carried out by the Company:

Company is carrying on R & D for testing of finished products, quality of existing products and thus catering to the ever changing market requirements

B. Benefits derived as a result of above R & D.

R & D efforts have helped to bring out an improvement in processes, products and operating efficiencies. Significant improvement in product quality, material and plant utilization achieved.

C. Future plan of action

Company plans to develop new types of products and achieve quality standards with the additional advantage of reduction in cost by conducting R & D.

D. Expenditure on Research and Development

Research and Development is carried out by the concerned Departments and the expenses incurred are booked under general accounting heads and no separate accounts are maintained.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. Activities relating to exports, initiatives taken to increase export markets for products and services and export plans.

NA

- b. Total Foreign Exchange used and earned:

Particulars	2007-08	(Rs. In Lacs) 2006-07
Used	9.65	0.13
Earned	Nil	Nil

By Order of the Board
For RITESH INTERNATIONAL LIMITED
sd/-

Place: Ludhiana
Date: 31.05.2008

(Pran Arora)
Chairman



Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Rubber and PVC industry is growing at a faster pace. Our product range includes Stearic acid, Fatty Acids, the ultimate users of our products are Rubber and PVC industries. Therefore the demand of our products is set to grow at much faster rate. Your company is trying its best to increase the market share of its products and to economize its production.

Opportunities and Threats

OPPORTUNITIES

Production of Rubber and PVC industry is increasing day by day because of demand of Rubber and PVC and its allied products. Since our products are mainly consumed by these industries, demand of our products is also set to increase.

THREATS

There is lot of competition in the market in this segment and continuous increases in raw material cost are main threats.

OUTLOOK

The prospects of oil industry for the fiscal year 2008-09 seem bright and encouraging. The Government is all set to decrease the custom duty on imported raw material, which is mainly oil. Therefore cost of imported raw material shall be less as compared to raw material procured indigenously. Demand and market acceptance of our product is very good and in future also management is optimistic about the prospects of the company.

RISK AND MANAGEMENT PERCEPTION

The operations of your company are subject to general business risks and competition in the industry, which can effect the growth of the company. Your company continuously updates its systems and procedures to reduce uncertainties and risks and explore new market to cope with the competition.

INTERNAL CONTROL AND THEIR ADEQUACY

The Company has adequate system of internal control and internal audit system and management has access of all its assets and proper procedure is adopted for disposal of any assets of the company. The company has constituted an audit committee, which consists of independent directors, which periodically review the internal control system.

Financial performance with respect to operational performance

The Company has earned a profit of Rs.15.56 lacs during the year under review.

Material development in Human Resources and Industrial Relation front, including no. of people employed

Industrial relations remained cordial and harmonious during the year under review and there was no working day loss due to any adverse activities.

The company had employed 64 persons as on 31st March, 2008

Cautionary statement

Statement in the management discussion and analysis describing the company's objectives, estimates, projections and expectation may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially due to economic conditions effecting demand, supply, prices, changes in government policies, tax laws and other incidental factors.

For & on behalf of the Board
 For RITESH INTERNATIONAL LIMITED

Place: Ludhiana
 Date: 31.05.2008

sd/-
 (Pran Arora)
 Chairman



CORPORATE GOVERNANCE REPORT

The Company's commitment to good Corporate Governance remains a steadfast policy. The Company adheres to the best of business ethics and continues to serve its shareholders to the best of its abilities.

more than 5 such Committees as required under Clause 49 of the Listing Agreement.

1. Board of Directors

a) Size and composition of the Board

Name	Designation	Category	Number of Directorships held #	Number of Board Committee memberships held #	Number of Board Committee Chairmanships held #
Sh. Pran Arora	Chairman	Promoter	5	3	3
Sh. Rajiv Arora	Managing Director	Promoter	5	2	-
Sh. B. B. Jindal	Director	Independent	2	1	-
Sh. R. K. Sood	Director	Independent	1	1	-
Sh. A. K. Mehta	Director	Independent	1	2	-

including Ritesh International Limited @ Board Committee for this purpose including Audit Committee, Remuneration Committee and Share Transfer & Shareholder' Grievance Committee (including Board Committees of Ritesh International Limited)

The Company has a strong and broad-based Board consisting of five Directors with adequate blend of professionals, executive, non-executive and independent Directors. The Composition of the Board of Directors comprises of eminent and distinguished personalities, one of which is executive Directors and four non-executive Directors. The Company is having a Non-Executive Chairman and majority of Directors on the Board are independent. The details of the composition of the Board, number of Directorships & Committee positions held by each of the Directors are given hereunder:

Independent Director means a Non-Executive Director who apart from receiving Director's remuneration does not have any other material pecuniary relationships or transactions with the Company, its promoters, its management or its subsidiaries, which may affect independence of the Directors. None of the Directors is a member of more than 10 Board level Committees or a Chairman of

b) Number of Board Meetings

During the year under review, ten Board Meetings were held on the following dates:

Date of Board Meeting	Board Strength	Number of Directors Present
April 30, 2007	5	5
May 31, 2007	5	5
July 31, 2007	5	5
August 29, 2007	5	5
September 28, 2007	5	5
October 31, 2007	5	5
December 15, 2007	5	5
January 30, 2008	5	5
February 11, 2008	5	5
February 15, 2008	5	5


c) Directors' Attendance Record and directorships held

The following table gives details of the Directors' Attendance Record at the Board Meetings:

Name of the Director	Number of Board Meetings	
	Held	Attended
Sh Pran Arora	11	11
Sh Rajiv Arora	11	11
Sh B.B. Jindal	11	11
Sh. RK Sood	11	11
Sh Ashok Kumar Mehta	11	11

Sh Pran Arora, Chairman, Sh. Rajiv Arora, Managing Director and Sh B.B. Jindal and Sh. Ashok Kumar Mehta, Directors, were present at the Annual General Meeting of the Company held on 28th September, 2007 at Fresh Premises, Focal Point, Phase VIII, Chandigarh, Ludhiana-141011.

d) Materially significant related party transactions

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under paragraph no. 10 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2008.

The transactions with related parties are neither materially significant nor do they have any potential conflict with the interests of the company at large. Also there has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by Stock Exchange, SEBI or by any other statutory authority during the period under review.

e) Remuneration of Directors

Sh Rajiv Arora has been paid a remuneration of ₹ 4,90,000/- as Managing Director during the year under review. No sitting fee was paid during the year under review to any director for attending the Board/Committee Meetings.

2. BOARD COMMITTEES

The Board has constituted the Audit Committee the Shareholders'/Investors' Grievance and Share Transfer Committee and Remuneration Committee. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees. Recommendations/decisions of the committee are submitted to the Board for approval. The quorum for meetings is either two members or one third of the members of the committees, whichever is higher.

AUDIT COMMITTEE

The Audit Committee Consist of Sh. Pran Arora as chairman Sh Rajiv Arora and Sh Ashok Kumar Mehta as members. The committee met four times during the last year on 30th April, 2007, 31st July, 2007, 31st October, 2007 and 30th January, 2008, the details of which are as under:

Director	Held	No of Meetings Attended
		Attended
Sh Pran Arora	4	4
Sh Rajiv Arora	4	4
Sh Ashok Kumar Mehta	4	4

No sitting fee was paid during the year for attending meetings of Audit Committee.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE/SHARE TRANSFER COMMITTEE

The Share Transfer committee consists of Sh. Pran Arora, Sh. Rajiv Arora and Sh. Ashok Kumar Mehta as members. The details of the meetings are as under:

Director	Position held in the committee	Number of Meetings	
		Held	Attended
Sh Pran Arora	Chairman	33	33
Sh Rajiv Arora	Member	33	33
Sh A.K. Mehta	Member	33	33

No sitting fee was paid during the year for attending meetings of Share Transfer & Shareholders' Grievance Committee.

No investor grievance was pending on March 31, 2008.

CODE OF CONDUCT

The Board has laid down a code of conduct for all Board members and Senior Management of the Company. All Board Members and Senior Management Personnel have complied with the Code of Conduct. Declaration to this effect signed by the Managing Director is enclosed with this Annual Report.

3. SHAREHOLDERS
a) Disclosures regarding appointment or re-appointment of Directors

According to the Articles of Association of the Company, one third of such of the Directors for the time being are liable to retire by rotation shall retire and, if eligible, offer themselves for re-election at the Annual General Meeting. Accordingly, Sh Bharti Bhushan Jindal retires by rotation in the ensuing Annual General Meeting. The Board has