



27th

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Annual Report

2008-2009

RITESH INTERNATIONAL LIMITED



MANAGEMENT

BOARD OF DIRECTORS

Chairman	Sh. Pran Arora
Managing Director	Sh. Rajiv Arora
Executive Director	Sh. Ritesh 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, Gurdev Nagar, Ludhiana Allahabad Bank Clock Tower, Ludhiana
Works	Momnabad Road. Akbarpura, Ahmedgarh, Distt-Sangrur (Punjab)
Registered Office	356, Industrial Area-A, Ludhiana-141003

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Date: 29 th September, 2009	Directors' Report	4
Time: 11.00 A.M	Management Discussion & Analysis	7
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RITESH
 INTERNATIONAL LIMITED

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Ritesh International Limited will be held on Tuesday, 29th day of September, 2009 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 2009 and Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Sh. Pran Arora, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the year 2009-10 and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sh. Ritesh Arora who was appointed by the Board of Directors as an additional Director of the Company under Section 260 of the Companies Act, 1956 to hold the office upto the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as a director liable to retire by rotation under the Articles of Association of the Company."

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

"RESOLVED THAT pursuant to Section 198, 269, 309, 314 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 to the appointment and payment of monthly remuneration of Rs. 36,000/- (Rupees Thirty Six Thousand only) in the Scale of 36,000-3000-48,000 to Sh. Ritesh Arora as an Executive Director of the Company with effect from 01.07.2009 for a period of Five years on the terms & conditions mentioned in the Explanatory Statement annexed hereto 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. Ritesh Arora."

"RESOLVED FURTHER THAT notwithstanding anything here in above stated wherein any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay the above remuneration as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be required to give effect to this resolution."

By Order of the Board
 For Ritesh International Limited

Place : Ludhiana
 Dated : 18.06.2009

sd/-
 (Pran Arora)
 Chairman

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



book of the company will remain closed from 25th September, 2009 to 29th September, 2009 (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**

Place : Ludhiana
 Dated : 18.06.2009

sd/-
 (Pran Arora)
 Chairman

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

Name of Director	Pran Arora	Ritesh Arora
Date of Birth	15.12.1936	23.09.1982
Date of Appointment	30.11.1981	18.06.2009
Expertise	He has more than 35 years of experience in diversified field of activities such as oils and fats, Agro products, Knitted fabrics, Garments and Real Estate etc.	He has more than 7 years of Business Experience in the Industry.

Qualification	Graduate	Graduate
Directorships of other Companies	1. Ritesh Properties and Industries Limited 2. Ritesh Spinning Mills Limited 3. Kishan Chand & Co. Oil Industries Limited 4. Pantagon Finance Limited	Pantagon Finance Limited
Chairmanships/ Memberships of Committees of other Companies	Chairman/Member - Audit Committee Ritesh Properties and Industries Limited, Chairman/Member - Share Transfer and Shareholders/Investors Grievance Committee Ritesh Properties and Industries Limited	Nil

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

Item No.4

The Board of Directors of the Company in its meeting held on 18.06.2009 appointed Mr. Ritesh Arora as an additional Director of the Company pursuant to the Article 111 of Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, read with the Article 111 of the Articles of Association of the Company, Mr. Ritesh Arora will hold office of Additional Director upto the ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Ritesh Arora as a Director of the Company. Accordingly, your approval is solicited for his appointment as a director liable to retire by rotation.

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

Item No.5

Mr. Ritesh Arora is being appointed as an Executive Director of the Company for a period of Five years w.e.f. 01.07.2009. The Board of Directors has approved the payment of remuneration to Sh. Ritesh Arora at Rs. 36,000/- per month in the Scale of Rs. 36,000-3000-48,000 w.e.f. 1st July, 2009 for a period of



five years, 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. Ritesh Arora.

Pursuant to the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the approval of the members is required to be obtained for payment of remuneration to Sh. Ritesh Arora w.e.f 01.07.2009 as proposed in the resolution.

The above may be treated as an abstract of the terms and conditions of the appointment of Sh. Ritesh Arora pursuant to Section 302 of the Companies Act, 1956.

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

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

By Order of the Board
For **Ritesh International Limited**

Place : Ludhiana
Dated : 18.06.2009

sd/-
(Pran Arora)
Chairman

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DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the Twenty Seventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	Amount (Rs. in Lacs)	
	2008-09	2007-08
Operating income	1251.08	1320.53
Profit before Depreciation	69.36	70.37
Less: Depreciation	53.00	52.27
Profit for the year before Tax	16.35	18.10
Less: Provision for taxation	1.85	2.54
Less: Provision for Fringe benefits/Tax	0.78	0.49
Profit after Tax	13.72	15.56

OPERATIONAL REVIEW

During the year under review your company's operating income was of Rs. 1251.08 lacs. The company has earned a profit of Rs. 13.72 lacs during the period under review.

DIRECTORS

Mr. Pran Arora, Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Sh. Ritesh Arora has been appointed as an additional director of the Company as on 18.06.2009 and the company has received the notice under Section 257 of the Companies Act signifying his candidature for appointing them as director of the company.

Further Board has appointed Mr. Ritesh Arora as an Executive Director of the Company w.e.f. 01.07.2009.

DIVIDEND

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

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 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, 2009

- 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 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 31st March, 2009 and other Statements of Accounts of the Company for the year ended 31st March, 2009.
- 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 2009 is as under:

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

COMPOSITION OF REMUNERATION COMMITTEE

The composition of the Remuneration committee as on 31st March 2009 is as under:

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

PAYMENT OF LISTING FEE:

The shares of the Company have been got delisted from Kolkatta Stock Exchange. The Company has paid listing fees to the Stock Exchange, Mumbai. Further the Company has filed delisting application with Delhi Stock Exchange.

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(2A) 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 organization in the working of the Company.

For and on behalf of the Board
For Ritesh International Limited

Place : Ludhiana
Dated : 18.06.2009

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 31ST MARCH 2009

I. CONSERVATION OF ENERGY

- | | | |
|----|---|---|
| a) | Energy Conservation measures taken. | Efforts are made to reduce energy consumption |
| b) | Additional investment and proposal, if any being implemented for reduction or conservation of energy. | NA |
| 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	2008-2009	2007-2008
1. Electricity			
a) Purchased			
Units (in lacs)	kwh	13.17	18.95
Total Amount	Rs. in lacs	63.75	88.19
Rate/unit	Rs./kwh	4.84	4.71
b) [Own Generation			
i) Through Diesel Generator			
Units (in Lacs)	kwh	0.50	0.13
Units/litre of diesel	kwh	4.50	4.50
Cost/Unit	Rs./kwh	7.29	6.74
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 items 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	2008-2009	2007-2008
Used	-	9.65
Earned	-	Nil

By Order of the Board
For Ritesh International Limited

Place : Ludhiana
Dated : 18.06.2009

sd/-
(Pran Arora)
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 2009-10 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 13.72 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 59 persons as on 31st March, 2009.

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

sd/-

Place : Ludhiana

(Pran Arora)

Dated : 18.06.2009

Chairman