



**28<sup>th</sup>**

**Annual Report**

**2009-2010**

**RITESH INTERNATIONAL LIMITED**

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## MANAGEMENT

### BOARD OF DIRECTORS

<b>Chairman</b>	Sh. Pran Arora
<b>Managing Director</b>	Sh. Rajiv Arora
<b>Executive Director</b>	Sh. Ritesh Arora
<b>Directors</b>	Sh. Bharti Bhushan Jindal Sh. Raj Kumar Sood Sh. Ashok Kumar Mehta
<b>Auditor</b>	M/s. Bhushan Aggarwal & Co. 678, Aggar Nagar Ludhiana-141012
<b>Bankers</b>	<b>ING Vysya Bank Ltd</b> 630, Gurdev Nagar, Ludhiana <b>Allahabad Bank</b> Clock Tower, Ludhiana
<b>Works</b>	Momnabad Road. Akbarpura, Ahmedgarh, Distt-Sangrur (Punjab)
<b>Registered Office</b>	356, Industrial Area-A, Ludhiana-141003

<b>28<sup>th</sup> ANNUAL GENERAL MEETING</b>	<b>CONTENTS</b>	<b>PAGE NO.</b>
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**NOTICE**

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Ritesh International Limited will be held on Friday, 24<sup>th</sup> day of September, 2010 at 11.00 A.M at the Registered office of the company at 356, Industrial Area-A, Ludhiana-141003 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2010 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. Ashok Kumar Mehta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the year 2010-2011 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 a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to Schedule XIII of the Companies Act, 1956 and subject to such sanctions, approvals as may be necessary, the Company hereby approves the re-appointment of Sh. Rajiv Arora as a Managing Director of the Company for the period of 5 years with effect from 01/08/2010 with liberty to either party to terminate the appointment on three months notice in writing to the other, within the following terms as to remuneration as mentioned below and with further liberty to the Board from time to time to alter the said terms in such manner as may be agreed to between the Board and Sh. Rajiv Arora in the best interest of the Company within the limitation in that behalf as contained in Schedule XIII of the Companies Act 1956:

- a) Salary : Rs.1,02,000/- (Rupees One Lac two Thousand Only) per month, in the pay Scale of Rs.1,02,000-5,500-1,24,000.
- b) Perquisites: In addition to above salary, he shall entitled for following perquisites.
  1. Medical Reimbursement : Expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

2. Leave Travel Concession: For self and family, once in a year incurred in accordance with the rules of the Company.
3. Club Fees: Fees for the club subject to a maximum of two clubs. This will not include a admission and life membership fees.
4. Personal Accident Insurance: Premium not to exceed Rs.10000/-Per annum.
5. Contribution to provident fund, Superannuation fund or Annual fund will not be included in computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act. The Gratuity payable shall not exceed half month salary for each completed year of service.
6. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the company to Sh. Rajiv Arora.

"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."

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 the provisions of section 149(2A) and such other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time), the consent of the members be and is hereby accorded to the board of directors for commencing new business as enumerated in sub-clause 29 of clause III(C) of the Memorandum of Association."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all ancillary and consequential matters in this regard."

**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 22<sup>nd</sup> September, 2010 to 24<sup>th</sup> September, 2010 (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 : 25.08.2010**

sd/-  
(**Pran Arora**)  
Chairman

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

Name of Director	Ashok Kumar Mehta	Rajiv Arora
Date of Birth	14.07.1955	23.09.1959
Date of Appointment	01.01.2007	22.05.1982
Expertise	He has an experience of 33 years in the field of accountancy and related matters thereto.	He has more than 29 years of experience in the field of activities such as oils and fats, agro products, knitted fabrics, garments etc.
Qualification	Chartered Accountant	B.Com
Directorships of Other Companies as on 31 <sup>st</sup> March, 2010	Nil	1) Ritesh Properties and Industries Limited 2) Ritesh Spinning Mills Limited 3) Ritesh Impex Private Limited

Chairmanships/ Memberships of Committees of other Companies as on 31 <sup>st</sup> March, 2010	Nil	Member-Audit Committee Ritesh Properties and Industries Limited.
No. of Shares held as on 31 <sup>st</sup> March, 2010	Nil	17,39,954
Relationship with the Director	Not related to any director	Sh. Pran Arora is father Sh. Ritesh Arora is son

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

##### **Item No.4**

The tenure of Sh. Rajiv Arora as Managing Director was upto 31<sup>st</sup> July, 2010. Subject to the approvals of the shareholders, the Board of Directors in their Meeting held on 1<sup>st</sup> August, 2010 pursuant to the recommendation of the remuneration committee, approved the re-appointment of Sh. Rajiv Arora as Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> August, 2010. The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956.

The proposed resolution is required to be passed as a Special Resolution as required under Schedule XIII of the Companies Act, 1956 and as such, the Directors commend your approval.

None of the Directors except the proposed appointee is any way concerned or interested in the proposed resolution.

##### **Item No. 5**

In order to further expand the activities of the company, it intends to commence the business as mentioned in Sub-Clause 29 of Clause III(C) of the Memorandum of Association of the Company. The directors are of the opinion that by taking up the proposed business the company's growth will increase further.

The Directors re-commend this resolution for approval of the shareholders.

No director is interested or concerned in this resolution.

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

**Place : Ludhiana**  
**Dated : 25.08.2010**

sd/-  
(**Pran Arora**)  
Chairman



## **DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting the Twenty Eighth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### **FINANCIAL RESULTS**

Amount (Rs. in Lacs)		
Particulars	2009-10	2008-09
Operating income	1360.80	1251.08
Profit/(Loss) before Depreciation	97.20	69.36
Less: Depreciation	(53.26)	53.00
Profit/(Loss) for the year before Tax	43.94	16.35
Less: Provision for taxation	-	1.85
Less: Provision for Fringe benefits	-	0.78
Profit/(Loss) after Tax	43.94	13.72

### **OPERATIONAL REVIEW**

During the year under review your company's operating income was of Rs. 1360.80 lacs. The company has earned a profit of Rs. 43.94 lacs during the period under review.

### **DIRECTORS**

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

The Board of directors have re-appointed Sh. Rajiv Arora as Managing Director of the Company for a further period of five years w.e.f. 1<sup>st</sup> Aug, 2010 in its meeting held on 01.08.2010, subject to the approval of the members in the next Annual General Meeting.

### **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 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 31<sup>st</sup> March, 2010.**

- 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 31<sup>st</sup> March, 2010 and other Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.
- 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 31<sup>st</sup> March 2010 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 31<sup>st</sup> March 2010 is as under:

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

**PAYMENT OF LISTING FEE:**

The Company has paid listing fees to the Bombay Stock Exchange. 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.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as per Clause 49 of the listing agreement are given in the Annexure forming part of this Report.

**CORPORATE GOVERNANCE REPORT**

Corporate Governance Report as per Clause 49 of the listing agreement 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 : 25.08.2010

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 31<sup>ST</sup> MARCH 2010.**

**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	2009-2010	2008-2009
<b>1. Electricity</b>			
a) Purchased			
Units (in lacs)	kwh	13.99	13.17
Total Amount	Rs. in lacs	74.91	63.75
Rate/unit	Rs./kwh	5.36	4.84
b) [Own Generation			
i) Through Diesel Generator			
Units (in Lacs)	kwh	0.12	0.50
Units/litre of diesel	kwh	4.86	4.50
Cost/Unit	Rs./kwh	7.20	7.29
ii) Through Steam Turbine Generator			
Units (in Lacs)		—	—
Units/tonne of Steam		—	—
Cost/Unit		—	—
<b>2. Coal (Steam)</b>			
Quantity (Tonnes)		—	—
Total Cost (Rs. in lacs )		—	—
Average Rate (Rs.)		—	—
<b>3. Furnace Oil</b>			
Quantity (Ltr.)		—	—
Total Amount		—	—
Average Rate		—	—
<b>4. Other/ Internal Generation</b>			
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 design.

**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:  
(Rs. in lacs)

Particulars	2009-2010	2008-2009
Used	—	—
Earned	—	—

By Order of the Board  
For Ritesh International Limited

Place : Ludhiana  
Dated : 25.08.2010

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 prices are main threats.

#### OUTLOOK

The prospects of oil industry for the fiscal year 2010-11 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 systems 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 systems of the company.

### Financial performance with respect to operational performance

The Company has earned a profit of Rs 43.94 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 49 persons as on 31<sup>st</sup> March, 2010.

### 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 : 25.08.2010

Chairman