



29th

Annual Report

2010-2011

RITESH INTERNATIONAL LIMITED



MANAGEMENT

BOARD OF DIRECTORS

Chairman	Sh. Pran Arora
Managing Director	Sh. Rajiv Arora
Executive Director	Sh. Ritesh Arora
Directors	Sh. Raghunath Nayyar 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 Oriental Bank of Commerce Cheema Chowk, Ludhiana.
Works	Momnabad Road. Akbarpura, Ahmedgarh, Distt-Sangrur (Punjab)
Registered Office	356, Industrial Area-A, Ludhiana-141003

29 th ANNUAL GENERAL MEETING	CONTENTS	PAGE NO.
Day : Monday	Notice	1
Date: 26 th September, 2011	Directors' Report	3
Time: 11.00 A.M	Management Discussion & Analysis	6
Place: 356, Industrial Area-A, Ludhiana-141003	Corporate Governance Report	7
	Auditors' Report	12
	Balance Sheet	15
	Profit & Loss Account	16
	Notes on Accounts	22
	Cash Flow Statement	26
	Balance Sheet Abstract	27



NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Ritesh International Limited will be held on Monday, 26th day of September, 2011 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 31st March 2011 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. Raj Kumar Sood, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the year 2011-2012 and to fix their remuneration.

M/s Bhushan Aggarwal & Co., Chartered Accountants, Ludhiana, the retiring Auditors being eligible offer themselves for re-appointment.

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 other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, Sh. Raghunath Nayyar who was appointed as an Additional Director in the meeting of the Board of Directors held on 01.08.2011 and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his

candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".

"RESOLVED FURTHER THAT board of directors be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

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

Place : Ludhiana
Dated : 30.08.2011

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 24th September, 2011 to 26th September, 2011 (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.

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

Item No. 4

Sh. Raghunath Nayyar was an additional Director appointed by the board of directors with effect from 01.08.2011. Under provisions of Section 260 of the Companies Act, 1956, Sh. Raghunath Nayyar will hold the office upto the date of 29th Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 has been received along with necessary deposit from a member signifying his intention to propose the appointment of Sh. Raghunath Nayyar as a Director at the 29th Annual General Meeting. This ordinary resolution is submitted to the members for approval.

Sh. Raghunath Nayyar is interested in the resolution as it concerns his appointment. No other Director is directly or indirectly concerned or interested in this resolution.

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

Name of Director	Raj Kumar Sood
Date of Birth	21.08.1942
Date of Appointment	31.12.2005
Expertise	He has a experience of 40 years in the fields of accounts, VAT & income tax.
Qualification	Graduate
Directorships of other Companies as on 31st March, 2011	Nil
Chairmanships/ Memberships of Committees of other Companies as on 31st March, 2011	Nil
No. of shares held as on 31st March 2011	Nil
Relationship with other Directors	Not related to any director

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

Place : Ludhiana
Dated : 30.08.2011

sd/-
(Pran Arora)
Chairman



DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 29th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

Amount (Rs. in Lacs)

Particulars	2010-11	2009-10
Operating income	2390.70	1360.80
Profit/(Loss) before Depreciation	117.00	97.20
Less: Depreciation	55.13	53.26
Profit/(Loss) for the year before Tax	61.86	43.94
Less: Provision for taxation	1.35	-
Profit/(Loss) after Tax	60.51	43.94

OPERATIONAL REVIEW

During the year under review your company's operating income was of Rs. 2390.70 lacs. The company has earned a profit of Rs. 60.51 lacs during the period under review.

As approved by the shareholders in the Annual General Meeting of the company held on 24th day of September, 2010 the company has started its business of manufacturing of textiles goods and the company operating income was Rs. 55.44 lacs and incurred a loss of Rs. 6.02 lacs from textile business during the year under review.

DIRECTORS

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

Sh. Raghunath Nayyar has been appointed as an additional director of the company w.e.f. 01.08.2011.

Sh. Bharti Bhushan Jindal has resigned from the directorship of the company w.e.f. 01.08.2011 and the board place on record its appreciation for the

services rendered by Sh. Bharti Bhushan Jindal during his tenure as the director of the company.

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, 2011.

- 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, 2011 and other Statements of Accounts of the Company for the year ended 31st March, 2011.



- iii. 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.
- iv. 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 2011 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 2011 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 and Delhi Stock Exchange.

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 is given in the Annexure forming part of this Report.

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 : 30.08.2011

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 2011.

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	2010-2011	2009-2010
1. Electricity			
a) Purchased			
Units (in lacs)	kwh	15.78	13.99
Total Amount	Rs. in lacs	88.41	74.91
Rate/unit	Rs./kwh	5.60	5.36
b) [Own Generation			
i) Through Diesel Generator			
Units (in Lacs)	kwh	0.28	0.12
Units/litre of diesel	kwh	4.50	4.86
Cost/Unit	Rs./kwh	8.00	7.20
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 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	2010-2011	2009-2010
Used	0.26	—
Earned	—	—

By Order of the Board
For Ritesh International Limited

Place : Ludhiana
Dated : 30.08.2011

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 2011-12 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 60.51 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 118 persons as on 31st March, 2011.

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 : 30.08.2011

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.

1. Board of Directors

a) Size and composition of the Board

The Company has a strong and broad-based Board consisting of six 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, two 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:

Name	Designation	Category	Number of Directorships held #	Number of Board Committee Membership held @	Number of Board Committee Chairmanships held @
Sh Pran Arora	Chairman	Promoter	6	6	1
Sh Rajiv Arora	Managing Director	Promoter	4	3	2
Sh. Ritesh Arora	Executive Director	Promoter	1	-	-
Sh B.B. Jindal ^{\$}	Director	Independent	2	-	-
Sh. R. K. Sood	Director	Independent	1	-	-
Sh Ashok Kumar Mehta	Director	Independent	1	3	-
Sh. Raghunath Nayyar [*]	Director	Independent	1	-	-

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

\$ resigned w.e.f. 01.08.2011

* appointed w.e.f. 01.08.2011

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

b) Number of Board Meetings

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

Date of Board	Board Strength Meeting	Number of Directors present
April 15, 2010	6	4
April 20, 2010	6	5
May 15, 2010	6	6
August 9, 2010	6	5
August 25, 2010	6	4
October 9, 2010	6	6
November 15, 2010	6	6
November 16, 2010	6	5
February 15, 2011	6	4