



30th

Annual Report

2011-2012

RITESH INTERNATIONAL LIMITED



MANAGEMENT

BOARD OF DIRECTORS

Chairman-cum-Managing Director

Sh. Rajiv Arora

Executive Director

Sh. Ritesh Arora

Directors

Sh. Raghunath Nayyar

Sh. Raj Kumar Sood

Auditors

M/s. Bhushan Aggarwal & Co.

678, Aggar Nagar

Ludhiana-141012

Bankers

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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**NOTICE**

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Ritesh International Limited will be held on Saturday, 22nd day of September, 2012 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 2012 and Profit & Loss Statement 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. Raghunath Nayyar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors for the year 2012-2013 and to fix their remuneration.

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

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

sd/-

Place : Ludhiana (Rajiv Arora)
Date: 14.08.2012 Chairman-cum-Managing Director

NOTES:

- i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company. The Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. The blank proxy form is enclosed herewith.
- ii) The register of members and the share transfer books of the company will remain closed from 20th September, 2012 to 22nd September, 2012 (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 Statement 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 at the Registered Office of the Company at least 10 days before the date of meeting.

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

Name of Director	Raghunath Nayyar
Date of Birth	09.11.1955
Date of Appointment	01.08.2011
Expertise	He has an experience of 35 years in the field of Garment Industry.
Qualification	Graduate
Directorships of other Companies as on date	1. Hind Woollen and Hosiery Mills Pvt. Ltd. 2. Nalanda Spinners Ltd.
Chairmanships/Memberships of Committees of other Companies as on date	Nil
No. of shares held as on date	Nil
Relationship with other Directors	Not related to any director

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

sd/-

Place : Ludhiana (Rajiv Arora)
Date : 14.08.2012 Chairman-cum-Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 30th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

Particulars	Amount (Rs. In Lacs)	
	2011-2012	2010-2011
Operating income	2362.35	2390.70
Profit/(Loss) before Depreciation	83.39	117.00
Less: Depreciation	62.14	55.13
Profit/(Loss) for the year before Tax	21.25	61.86
Less: Provision for taxation	(1.00)	1.35
Profit/(Loss) after Tax	22.25	60.51

OPERATIONAL REVIEW

During the year under review your company's operating income was of Rs. 2362.35 lacs. The company has earned a profit of Rs. 22.25 lacs during the period under review.

The Company has made sales of Rs.108.67 lacs (Previous Year Rs. 55.44 lacs) from the Knitwear Division which has resulted into a Profit of Rs. 0.71 lacs (Previous Year Loss of Rs. 6.02 lacs) during the year under review.

DIRECTORS

Sh. Pran Arora, Director of the Company is ceased from the directorship of the Company due to his death w.e.f. 09.10.2011.

The Board places on record the valuable services rendered by Sh. Pran Arora, during his tenure as Chairman of the Company and expresses its deep sense of appreciation and gratitude for the same.

Sh. Ashok Kumar Mehta resigned w.e.f. 14.08.2012. The board places on record its appreciation of services rendered by him during his tenure as Director of the Company.

Mr. Raghunath Nayyar, Director of your Company, retires by rotation at the conclusion of the forthcoming 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 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, 2012.

- 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, 2012 and other Statements of Accounts of the Company for the year ended 31st March, 2012.
- 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 have prepared the annual accounts on a going concern basis.

COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit committee as on date is as under:

- Sh. Raj Kumar Sood
- Sh. Rajiv Arora
- Sh. Raghunath Nayyar

**COMPOSITION OF REMUNERATION COMMITTEE**

The composition of the Remuneration committee as on date is as under:

- Sh. Raj Kumar Sood
- Sh. Rajiv Arora
- Sh. Raghunath Nayyar

COMPOSITION OF SHARE TRANSFER & SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The composition of the Share Transfer & Shareholders'/investors' Grievance Committee as on date is as under:

- Sh. Raj Kumar Sood
- Sh. Rajiv Arora
- Sh. Raghunath Nayyar

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 organizations in the working of the Company.

For and on behalf of Board
For **Ritesh International Limited**

Place: Ludhiana

Date: 14.08.2012

sd/-

(Rajiv Arora)

Chairman-cum-Managing Director



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 2012.

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 been 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	2011-12	2010-11
1. Electricity			
a) Purchased Units (in lacs)	Kwh	14.13	15.78
Total Amount	Rs. In Lacs	89.31	88.41
Rate/unit	Rs./Kwh	6.32	5.60
b) Own Generation			
i) Through Diesel Generator			
Units (in Lacs)	Kwh	0.32	0.28
Units/litre of diesel	Kwh	4.50	4.50
Cost/Unit	Rs./Kwh	8.66	8.00
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:

Particulars	2011-2012	(Rs. In Lacs) 2010-2011
Used	0.22	0.26
Earned	--	--

For & on behalf of the Board
For **Ritesh International Limited**

sd/-
(Rajiv Arora)
Chairman-cum-Managing Director

Place : Ludhiana
Date : 14.08.2012



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 2012-13 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 systems.

Financial performance with respect to operational performance

The Company has achieved a turnover of Rs. 2362.35 lacs and earned a profit of Rs. 22.25 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 48 persons as on 31st March, 2012.

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

(Rajiv Arora)

Date: 14.08.2012 Chairman-cum-Managing Director



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 four 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 three non-executive Directors. The Company is having an 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	No. of Directorships held #	No. of Board Committee Memberships held @	No. of Board Committee Chairmanships held @
Sh Pran Arora*	Ex-Chairman	Promoter	6	6	1
Sh Rajiv Arora	Chairman-cum-Managing Director	Promoter	5	5	-
Sh. Ritesh Arora	Executive Director	Promoter	1	-	-
Sh. Raghunath Nayyar	Director	Independent	3	3	3
Sh. R. K. Sood	Director	Independent	1	3	-
Sh Ashok Kumar Mehta [§]	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)

* ceased w.e.f. 09.10.2011 due to death

[§] resigned w.e.f. 14.08.2012

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, Ten Board Meetings were held on the following dates:

Date of Board Meeting	Board Strength	Number of Directors present
April 01, 2011	6	5
May 14, 2011	6	5
August 1, 2011	6	5
August 30, 2011	6	5
October 31, 2011	5	5
November 15, 2011	5	5
November 24, 2011	5	5
January 24, 2012	5	5
February 15, 2012	5	5
February 28, 2012	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	4	-
Sh. Rajiv Arora	10	10
Sh. Raghunath Nayyar	8	8
Sh. R.K. Sood	10	10
Sh. Ashok Kumar Mehta	10	10
Sh. Ritesh Arora	10	10
Sh. B.B. Jindal	2	2

Sh. Rajiv Arora, Managing Director, Sh. Ritesh Arora, Executive Director, Sh. Raghunath Nayyar Director and Ashok Kumar Mehta Director were present at the Annual General Meeting of the Company held on Monday, 26th day of September, 2011 at 356, Industrial Area-A, Ludhiana-141003.

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. 38 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2012.

The transactions with the related parties are neither materially significant nor 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 Chairman-cum-Managing Director and Sh. Ritesh Arora, Executive Director has been paid a remuneration Rs.12,68,000/- and Rs.4,95,000/- respectively 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 consisted of three directors i.e. Sh. Pran Arora, Sh. Rajiv Arora and Sh. Ashok Kumar Mehta. Due to the sudden demise of Sh. Pran Arora, Chairman and resignation of Sh. Ashok Kumar Mehta, Director, the Audit Committee needs to be reconstituted.

Audit Committee of the Company is hereby reconstituted on 14.08.2012 with the following members:

1. Sh. Raghunath Nayyar - Chairman
2. Sh. Rajiv Arora - Member
3. Sh. Raj Kumar Sood - Member

The committee met Five times during the last year on 14th May 2011, 15th August 2011, 30th August 2011, 15th November 2011 and 15th February 2012 the details of which are as under:

Director	Number of Meetings	
	Held	Attended
Sh. Pran Arora	3	-
Sh. Ashok Kumar Mehta	5	5
Sh. Rajiv Arora	5	5
Sh. Raghunath Nayyar	2	2

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

SHARE TRANSFER & SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Share Transfer and Shareholders'/ Investors Grievance Committee consisted of three directors i.e. Sh. Pran Arora, Sh. Rajiv Arora and Sh. Ashok Kumar Mehta. Due to the sudden demise of Sh. Pran Arora, Chairman and resignation of Sh. Ashok Kumar Mehta, Director, the Share Transfer and Shareholders'/ Investors Grievance Committee needs to be reconstituted.

Share Transfer and Shareholders'/ Investors Grievance Committee of the Company is hereby reconstituted on 14.08.2012 with the following members:

1. Sh. Raghunath Nayyar - Chairman
2. Sh. Raj Kumar Sood - Member
3. Sh. Rajiv Arora - Member