



**31<sup>st</sup>**

**Annual Report**

**2012-2013**

**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 31<sup>st</sup> Annual General Meeting of the Members of Ritesh International Limited will be held on Saturday, 28<sup>th</sup> day of September, 2013 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 2013 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. Ritesh Arora, who retires by rotation and being eligible offers himself for re-appointment.
3. 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 Sections 224 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the members of the Company at the ensuing annual general meeting M/s. Ashok Shashi & Co., Chartered Accountants, Ludhiana be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors, M/s Bhushan Aggarwal & Co., Chartered Accountants, Ludhiana to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on such terms, conditions and remuneration as may be mutually agreed between the board of directors and the said auditors.”

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

sd/-

(Rajiv Arora)

**Place : Ludhiana**

**Date: 30.05.2013     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 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 26<sup>th</sup> September, 2013 to 28<sup>th</sup> September, 2013 (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 copy of Annual Report 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.1**

The existing statutory auditors, M/s Bhushan Aggarwal & Co., Chartered Accountants, have communicated to the Company their unwillingness to be re-appointed as statutory auditors of the Company in the ensuing annual



general meeting and hence have not offered themselves for re-appointment.

The Company has received a special notice under the provisions of Section 225 of the Companies Act, 1956, proposing the appointment of M/s Ashok Shashi & Co., Chartered Accountants, as the auditors of the Company in place of the retiring auditors. The Company has received a certificate pursuant to section 224(1B) of the Companies Act, 1956, M/s Ashok Shashi & Co., certifying their eligibility for appointment as auditors of the Company.

None of the directors is in any way, concerned or interested in the resolution.

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

<b>Name of Director</b>	Ritesh Arora
<b>Date of Birth</b>	23.09.1982
<b>Date of Appointment</b>	18.06.2009
<b>Expertise</b>	He has more than 7 years of experience in Business & Industry.
<b>Qualification</b>	Graduate
<b>Directorships of other Companies as on 31st March, 2013</b>	Nil
<b>Chairmanships/Memberships of Committees of other Companies as on 31st March, 2013</b>	Nil
<b>No. of shares held as on 31st March, 2013</b>	142006
<b>Relationship with other Directors</b>	Son of Sh. Rajiv Arora (Chairman-cum-Managing Director)

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

sd/-

Place : Ludhiana

(Rajiv Arora)

Date : 30.05.2013 Chairman-cum-Managing Director

## **DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting the 31<sup>st</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

### **FINANCIAL RESULTS**

<b>Amount (Rs. In Lacs)</b>		
<b>Particulars</b>	<b>2012-2013</b>	<b>2011-2012</b>
Operating income	<b>1970.58</b>	2363.28
Profit/(Loss) before Depreciation	<b>(38.52)</b>	83.39
Less: Depreciation	<b>(64.75)</b>	(62.14)
Profit/(Loss) for the year before Tax	<b>(103.27)</b>	21.25
Less: Provision for taxation	<b>(2.90)</b>	(1.00)
Profit/(Loss) after Tax	<b>(100.37)</b>	22.25

### **OPERATIONAL REVIEW**

During the year under review your company's operating income was of Rs.1970.58 lacs. The company has incurred a loss of Rs.100.37 lacs during the period under review.

The Company has made sales of Rs. 107.56 lacs (Previous Year Rs. 108.67 lacs) from the Knitwear Division which has resulted into a Profit of Rs. 25.29 lacs (Previous year loss of Rs. 0.71 lacs) during the year under review.

### **DIRECTORS**

Mr. Ritesh Arora, Executive Director of your company, retires by rotation at the conclusion of the forthcoming Annual General Meeting & 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**

M/s Bhushan Aggarwal & Co., Chartered Accountants, Ludhiana Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting. Pursuant to a Special Notice received from a shareholder, the Audit Committee and the Board recommend the



appointment of M/s Ashok Shashi & Co., Chartered Accountants, Ludhiana as statutory auditors of the Company in place of M/s Bhushan Aggarwal & Co., Chartered Accountants, Ludhiana.

#### **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, 2013.**

- i. That in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. 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, 2013 and other Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.
- 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 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**

sd/-

**Place: Ludhiana**  
**Date: 30.05.2013** **Chairman-cum-Managing Director**  
**(Rajiv Arora)**



**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 2013.**

**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 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	2012-13	2011-12
<b>1. Electricity</b>			
a) Purchased Units (in lacs)	Kwh	<b>17.85</b>	14.13
Total Amount	Rs. In lacs	<b>123.05</b>	89.31
Rate/unit	Rs./kwh	<b>6.89</b>	6.32
b) Own Generation			
i) Through Diesel Generator			
Units (in Lacs )	Kwh	<b>0.38</b>	0.32
Units/litre of diesel	Kwh	<b>4.50</b>	4.50
Cost/Unit	Rs./kwh	<b>9.48</b>	8.66
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	2012-2013	(Rs. In Lacs)
Used	<b>Nil</b>	0.22
Earned	<b>--</b>	--

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

Place : Ludhiana  
Date : 30.05.2013  
sd/-  
**(Rajiv Arora)**  
Chairman-cum-Managing Director



## 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 2013-14 seem bright and encouraging. The Government is all set to rationalise 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 achieved a turnover of Rs.1970.58 Lacs and incurred a loss of Rs.100.37 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 94 persons as on 31<sup>st</sup> March, 2013.

### 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/-  
(Rajiv Arora)  
Place : Ludhiana  
Date: 30.05.2013 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 are executive Directors and two 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 Rajiv Arora	Chairman-cum-Managing Director	Promoter	5	2	1
Sh. Ritesh Arora	Executive Director	Promoter	1	-	-
Sh. Raghunath Nayyar	Director	Independent	3	2	-
Sh. R. K. Sood	Director	Independent	1	2	-

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

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, Four Board Meetings were held on the following dates:

Date of Board Meeting	Board Strength	Number of Directors present
May 15, 2012	5	5
August 14, 2012	4	4
November 14, 2012	4	4
February 14, 2013	4	4

#### 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. Rajiv Arora	4	4
Sh. Raghunath Nayyar	4	4
Sh. R.K. Sood	4	4
Sh. Ritesh Arora	4	4
Sh. Ashok Kumar Mehta *	1	1

\*Sh. Ashok Kumar Mehta has resigned w.e.f. 14.08.2012.

Sh. Ritesh Arora, Executive Director and Sh. Raj Kumar Sood, Director were present at the Annual General Meeting of the Company held on





Saturday, 22<sup>nd</sup> day of September, 2012 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. 37 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2013.

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. 13,34,000/- and 5,31,000/- 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 consists of three directors i.e.

- |                          |            |
|--------------------------|------------|
| 1. Sh. Raghu Nath Nayyar | - Chairman |
| 2. Sh. Rajiv Arora       | - Member   |
| 3. Sh. Raj Kumar Sood    | - Member   |

The committee met Four times during the last year on 15<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 14<sup>th</sup> November 2012 and 14<sup>th</sup> February 2013 the details of which are as under:

Director	Number of Meetings	
	Held	Attended
Sh. Ashok Kumar Mehta*	1	1
Sh. Rajiv Arora	4	4
Sh. Raghunath Nayyar	4	4
Sh. Raj Kumar Sood	3	3

*\*Sh. Ashok Kumar Mehta has resigned w.e.f. 14.08.2012.*

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 consists of three directors i.e.

- |                          |            |
|--------------------------|------------|
| 1. Sh. Raghu Nath Nayyar | - Chairman |
| 2. Sh. Rajiv Arora       | - Member   |
| 3. Sh. Raj Kumar Sood    | - Member   |

The details of the meetings are as under:

Director	Number of Meetings	
	Held	Attended
Sh. Raghunath Nayyar	13	13
Sh. Rajiv Arora	13	13
Sh. Ashok Kumar Mehta*	4	4
Sh. Raj Kumar Sood	9	9

*\*Sh. Ashok Kumar Mehta has resigned w.e.f. 14.08.2012.*

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

No investor grievance was pending on March 31, 2013.

**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