



32<sup>nd</sup>

Annual Report  
2013–2014

**RITESH INTERNATIONAL LIMITED**





## MANAGEMENT

### BOARD OF DIRECTORS

Chairman-cum-Managing Director

Sh. Rajiv Arora

Executive Director &  
Chief Financial Officer

Sh. Ritesh Arora

Company Secretary

Mrs. Neha Bedi

Directors

Sh. Raghu Nath Nayyar  
Sh. Raj Kumar Sood  
Smt. Kamaljeet Kaur

Auditors

M/s. Ashok Shashi & Co.  
Chartered Accountants  
19, Feroze Gandhi Market,  
IInd Floor Ludhiana-141001

Bankers

**Allahabad Bank**  
Clock Tower, Ludhiana

Works

Momnabad Road.  
Akbarpura, Ahmedgarh,  
Distt.- Sangrur (Punjab)

Registered Office

356, Industrial Area-A,  
Ludhiana-141003

Registrar & Share Transfer Agent

**Skyline Financial Services  
Private Limited**  
D-153 A, Ist Floor, Okhla  
Industrial Area, Phase - I,  
New Delhi - 110020  
Tel.: 011 64732681-88,  
Fax: +91 11 26812682  
Web:www.skylinerta.com

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## NOTICE

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of Ritesh International Limited will be held on Saturday, 27<sup>th</sup> day of September, 2014 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 Financial Statements of the Company for the year ended on March 31<sup>st</sup> 2014 including Audited Balance Sheet as at 31<sup>st</sup> March 2014 the Statement Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Auditors and the Directors thereon.
2. To appoint Director in place of Sh. Raj Kumar Sood (DIN 00902545), who retires by rotation and being eligible, offers himself for re-appointment as an independent Director.
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 Section 139 of the Companies Act, 2013 and the Rules made there under, M/s Ashok Shashi & Co., Chartered Accountants, Ludhiana, Registration No. 013258N, be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration as may be fixed by the Board of Directors of the Company.

### SPECIAL BUSINESS

4. **Re-appointment of Sh. Ritesh Arora as an Executive Director of the Company.**

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

“RESOLVED THAT in accordance with the provisions

of section 196,197 read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed, Sh. Ritesh Arora be and is hereby re-appointed as Executive director of the Company for a term of five years, whose term will be liable to retirement by rotation (subject to ratification of the appointment by the members at every AGM held after conclusion of this AGM) with effect from 1<sup>st</sup> July, 2014 at a remuneration of Rs. 72,000/- per month plus allowances as applicable to other employees of the company with liberty to the Board of Directors (herein after referred to as “Board” which term shall be deemed to include the Nomination & 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 to the contrary herein contained, where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay Sh. Ritesh Arora the above mentioned remuneration as minimum remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and acceptable to the Sh. Ritesh Arora, Executive Director of the Company as permissible under the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make such alteration and modifications, as may be required within the limits of Schedule V of the Companies Act, 2013.”

5. **Appointment of Sh. Raghu Nath Nayyar (DIN 01004154) as an Independent Director**



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 149,152 and any other applicable provisions of the Companies Act, 2013 and Rules thereunder (Including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Sh. Raghu Nath Nayyar (DIN 01004154), be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years and is not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

**6. Appointment of Sh. Raj Kumar Sood (DIN 00902545) as an Independent Director**

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 149,152 and any other applicable provisions of the Companies Act, 2013 and Rules thereunder (Including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Sh. Raj Kumar Sood (DIN 00902545), be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years and is not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

**7. Appointment of Mrs. Kamaljeet Kaur (DIN 06951563) as an Independent Director**

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 149,152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules thereunder (Including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement, Mrs. Kamaljeet Kaur (DIN 06951563), who was appointed as an Additional Director of the Company by the Board of Directors under section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for a period of 5 years and is not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

**8. 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 14 and any other applicable provisions of the Companies Act, 2013,(including any modification or re-enactment thereof) the Articles of Association of the Company be and is hereby altered by inserting the following Article 30A after Article 30.

<b>Managing Director can be Chairman as well.</b>	30A.Managing Director can also hold the office of Chairman of Board of Directors.
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“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate such power to any of the directors/persons to file the



same with Registrar of Companies at Chandigarh and to comply with all other legal and procedural formalities in this regard.”

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

sd/-

Place : Ludhiana

(Rajiv Arora)

Date: 14.08.2014

Chairman-cum-Managing Director

DIN: 00079838

1108/1, Tagore Nagar, Civil Lines

Ludhiana- 141001

**NOTES:**

- i) A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
- ii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A Proxy so appointed shall not have any right to speak at the Meeting. The Blank Proxy form is enclosed.
- iii) The register of members and the share transfer books of the company will remain closed from 25<sup>th</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive).
- iv) 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 Statement of Profit & Loss and the Auditor's Report. Copies of these documents will also be kept open for 21 days before the date of the meeting.

- v) 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.
- vi) Members/proxies are requested to bring their attendance slips sent herewith duly filled in for attending the meeting.
- vii) 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.
- viii) Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 (in relation to Item No. 4 to 8 is annexed hereto and forms part of this Notice.
- ix) In Compliance with provisions of Section 108 of Companies Act, 2013 and rules framed thereunder, the Company is pleased to provide members facility to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services India Limited (CDSL)

**The instructions for shareholders voting electronically are as under:**

- a. The voting period begins on Saturday 20<sup>th</sup> September, 2014 at 10:00 a.m and ends on Tuesday 23<sup>rd</sup> September, 2014 at 10:00 a.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday 22<sup>nd</sup> August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- c. Click on “Shareholders” tab.
- d. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,



- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used
- g. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Demat account number or Folio No. in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Bank demat account or in the company records for the said Details demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / No. of Shares in the dividend bank details field as mention in instruction (d)</li></ul>

- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN for <RITESH INTERNATIONAL LIMITED> on which you choose to vote.
- l. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.





- q. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r. Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- s. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- t. The Company has appointed Mr. Bhupesh Gupta, Practising Company Secretary (Membership No. FCS 4590 & C.P No. 5708) as a Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

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

Nomination & Remuneration Committee as well as the Board of Directors of Company has approved the re-appointment of Sh. Ritesh Arora as an Executive Director of the Company for a period of Five years w.e.f. 01.07.2014. Nomination & Remuneration Committee as

well as the Board of Directors has approved the payment of remuneration to Sh. Ritesh Arora at Rs. 72,000/- per month w.e.f. 01.07.2014 for a period of five years, subject to the approval of the members of the Company.

##### **Minimum Remuneration**

In the 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 197 read with Schedule V of the Companies Act, 2013, the approval of the members is required to be obtained for payment of remuneration to Sh. Ritesh Arora w.e.f. 01.07.2014 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 the Section 196 of the Companies Act, 2013.

##### **Item No.5 and 6**

Sh. Raghu Nath Nayyar and Sh. Raj Kumar Sood are Independent Directors of the Company and have held the positions as such for more than 3 years.

In light of the provisions of the Companies Act, 2013 and amendments in Listing Agreement it is proposed to appoint Sh. Raghu Nath Nayyar & Sh. Raj Kumar Sood as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) Consecutive years.

Sh. Raghu Nath Nayyar and Sh. Raj Kumar Sood are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The Company has also received declarations from Sh. Raghu Nath Nayyar & Sh. Raj Kumar Sood about their meeting the criteria of independence as prescribed as per Section 149 of the Companies Act and under Listing Agreement.

In the opinion of the Board Sh. Raghu Nath Nayyar and Sh. Raj Kumar Sood fulfill the conditions for appointment as Independent Directors as specified in the Act and Listing Agreement. Accordingly, Sh. Raghu Nath Nayyar & Sh. Raj Kumar Sood are Independent of the Management

##### **Item No.7:**

Mrs. Kamaljeet Kaur was appointed as an Additional Director in the category of Independent Director on the Board. W.e.f. May 30<sup>th</sup> 2014 pursuant to Section 161(1) of the Companies Act, 2013. She holds office upto the date of 32<sup>nd</sup> Annual General Meeting and is eligible for appointment as Director. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the appointment as an Independent Director of the





Company.

The Company has also received declaration from Mrs. Kamaljeet Kaur about their meeting the criteria of independence as prescribed as per Section 149 of the Companies Act and under Listing Agreement.

In the opinion of the Board Mrs. Kamaljeet Kaur fulfill the conditions for appointment as Independent Directors as specified in the Act and Listing Agreement. Accordingly, Mrs. Kamaljeet Kaur are Independent of the Management **Item No.8:**

It is proposed to change the Articles of Association of the company. Under Section 14 of the companies Act, 2013, for alteration in the Articles of Association of the Company approval of Shareholders is required by way of Special Resolution. Hence, the Board recommends the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Details of directors seeking appointment/ re-appointment at the**

**Forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director	Ritesh Arora	Kamaljeet Kaur
Date of Birth	23.09.1982	05.10.1980
Date of Appointment	18.06.2009	30.05.2014
Qualification	Graduate	Post Graduate
Expertise in Specific functional Area	He has more than 08 years of Business Experience in the industry.	She has more than 10 years of Experience in Finance & Accounts.
No. of Shares Held in the Company	439309	Nil
Directorships held in other companies	Nil	Nil
Position held in mandatory committees of other companies	Nil	Nil
Relationship with other Directors	Son of Rajiv Arora, Chairman cum Managing Director of the Company	Not related to any Director of the Company

Name of the Director	Raghu Nath Nayyar	Raj Kumar Sood
Date of Birth	09.11.1955	21.08.1942
Date of Appointment	01.08.2011	31.12.2005
Qualification	Graduate	Graduate
Expertise in Specific functional Area	He has experience of 37 years in the field of Garment Industry.	He has a experience of 43 years in the fields of accounts, VAT & income tax.
No. of Shares Held in the Company	Nil	Nil
Directorships held in other companies	1.Hind Woollen And Hosiery Mills Pvt.Ltd. 2. Nalanda Spinners Ltd.	Nil
Position held in mandatory committees of other companies	Nil	Nil
Relationship with other Directors	Not related to any Director of the Company.	Not related to any Director of the Company

**By Order of the Board  
For Ritesh International Limited  
sd/-**

**Place : Ludhiana**

**Date :14.08.2014**

**Chairman-cum-Managing Director  
DIN: 00079838  
1108/1, Tagore Nagar, Civil lines,  
Ludhiana-141001**



## **DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting the 32<sup>nd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

### **FINANCIAL RESULTS**

#### **Amount (Rs. In Lacs)**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
Operating and other income	<b>2513.49</b>	1970.58
Profit/(Loss) before Depreciation	<b>133.62</b>	(38.52)
Less: Depreciation	<b>73.72</b>	64.75
Profit/(Loss) for the year before Tax	<b>59.90</b>	(103.27)
Less: Provision for taxation	-	2.90
Profit/(Loss) after Tax	<b>59.90</b>	(100.37)

### **OPERATIONAL REVIEW**

During the year under review your company's operating and other income was of Rs.2513.49 lacs. The company has earned a profit of Rs.59.90 lacs during the period under review.

The Company has made sales of Rs. 200.98 lacs (Previous Year Rs. 107.56 lacs) from the Knitwear Division which has resulted into a Profit of Rs. 8.43 lacs (Previous year profit of Rs.25.29 lacs) during the year under review.

### **DIRECTORS**

- i) Sh. Raj Kumar Sood, Director of your company, retires by rotation at the conclusion of the forthcoming Annual General Meeting & being eligible offers himself for re-appointment as an Independent Director.
- ii) It is proposed to appoint Mrs. Kamaljeet Kaur as an Independent Director for the term of 5 Years who was appointed as an Additional Director of the Company by board of Directors of the Company w.e.f. 30.05.2014
- iii) Sh. Raghu Nath Nayyar and Sh. Raj Kumar Sood are proposed to be appointed as Independent Directors for a term of five Years.
- iv) Sh. Ritesh Arora has been appointed as CFO of Company w.e.f 30.05.2014

### **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 Ashok Shashi & Co., Chartered Accountants, Ludhiana are proposed to be appointed as Auditors of the Company from the conclusion of the 32<sup>nd</sup> Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting of the company, subject to ratification of the appointment by the members at every AGM held after the 32<sup>nd</sup> AGM.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s Ashok Shashi & Co., Chartered Accountants, Ludhiana to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

### **AUDITORS' REPORT**

The Auditors' Report to the members on the Accounts of the Company for the financial year ended March 31<sup>st</sup>, 2014 does not contain any qualification. 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, 2014.**

- 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, 2014 and other Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.
- 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 14<sup>th</sup> August 2014 is as under:

- Sh. Raghu Nath Nayyar - Chairman
- Sh. Rajiv Arora- Member
- Sh. Raj Kumar Sood- Member

#### **COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE**

The composition of the Nomination & Remuneration committee as on 14<sup>th</sup> August 2014 is as under:

- Sh. Raghu Nath Nayyar - Chairman
- Sh. Raj Kumar Sood- Member
- Mrs. Kamaljeet Kaur- Member

#### **COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE**

The composition of the Stakeholders Relationship Committee as on 14<sup>th</sup> August, 2014 is as under:

- Sh. Raghu Nath Nayyar - Chairman
- Sh. Rajiv Arora- Member
- Sh. Raj Kumar Sood - Member

#### **PAYMENT OF LISTING FEE**

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

#### **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)(a) OF THE COMPANIES ACT, 1956**

There was no employee who falls under Section 217(2A) (a) 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 the Board  
For **Ritesh International Limited**

sd/-

(Rajiv Arora)

Place: Ludhiana

Date: 14.08.2014

Chairman-cum-Managing Director

DIN: 00079838

1108/1, Tagore Nagar, Civil Lines  
Ludhiana-141001



**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 2014.**

**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 conversation 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	2013-14	2012-13
<b>1. Electricity</b>			
a) Purchased Units (in lacs)	Kwh	23.07	17.85
Total Amount	Rs. In lacs	175.62	123.05
Rate/unit	Rs./kwh	7.61	6.89
b) Own Generation			
i) Through Diesel Generator			
Units (in Lacs)	Kwh	0.24	0.38
Units/litre of diesel	Kwh	4.50	4.50
Cost/Unit	Rs./kwh	11.32	9.48
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>B. CONSUMPTION PER UNIT OF PRODUCTION/PRODUCT*</b>			
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 Stearic, 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	2013-14	2012-13
Used	1.69	Nil
Earned	Nil	Nil

For and on Behalf of the Board  
For Ritesh International Limited

sd/-  
(Rajiv Arora)  
Chairman-cum-Managing Director  
DIN: 00079838

1108/1, Tagore Nagar, Civil lines,  
Ludhiana-141001



## 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 2014-15 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.2507.66 Lacs and earned a Profit of Rs.59.90 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 has employed 113 persons as on 31<sup>st</sup> March, 2014.

### 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 and on Behalf of the Board  
For **Ritesh International Limited**

sd/-  
(Rajiv Arora)  
Chairman-cum-Managing Director  
DIN: 00079838  
1108/1, Tagore Nagar, Civil lines,  
Ludhiana-141001

Place : Ludhiana

Date: 14.08.2014



## 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 as on 31<sup>st</sup> March, 2014:

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	3	3	1
Sh. Ritesh Arora	Executive Director	Promoter	1	0	-
Sh. Raghu Nath Nayyar	Director	Independent	3	3	3
Sh. Raj Kumar Sood	Director	Independent	1	3	-

# including Ritesh International Limited @ Board Committee for this purpose includes Audit Committee, Share Transfer & Shareholder' Grievance Committee & Remuneration 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 as on 31<sup>st</sup> March, 2014.

#### b) Number of Board Meetings

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

Date of Board Meeting	Board Strength	Number of Directors present
May 15, 2013	4	4
May 30, 2013	4	4
August 14, 2013	4	4
September 9, 2013	4	4
September 11, 2013	4	4
September 17, 2013	4	4
September 28, 2013	4	4
October 31, 2013	4	4
November 14, 2013	4	4
November 20, 2013	4	4
January 13, 2014	4	4
February 14, 2014	4	4

#### c) Directors' Attendance Record

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	12	12
Sh. Raghu Nath Nayyar	12	12
Sh. Raj Kumar Sood	12	12
Sh. Ritesh Arora	12	12

Sh. Rajiv Arora, Chairman-cum-Managing Director & Member and Sh. Ritesh Arora, Executive Director & Member and Sh. Raj Kumar Sood & Sh. Raghu Nath Nayyar, Directors were present at the Annual General Meeting of the Company held on Saturday, 28<sup>th</sup> day of September, 2013 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<sup>st</sup>, 2014.

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. 14,00,000/- and Rs. 5,67,000/- 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 during the F.Y. 2013-14

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

The committee met Five times during the last year on 15<sup>th</sup> May 2013, 30<sup>th</sup> May 2013, 14<sup>th</sup> August 2013, 14<sup>th</sup> November 2013 and 14<sup>th</sup> February 2014 the details of which are as under:

Director	Number of Meetings	
	Held	Attended
Sh. Raghu Nath Nayyar	5	5
Sh. Rajiv Arora	5	5
Sh. Raj Kumar Sood	5	5

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

**SHARE TRANSFER AND SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE**

The Share Transfer and Shareholders'/ Investors Grievance Committee consisted of three directors during the F.Y. 2013-14

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. Raghu Nath Nayyar	16	16
Sh. Rajiv Arora	16	16
Sh. Raj Kumar Sood	16	16

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<sup>st</sup>, 2014.





### REMUNERATION COMMITTEE

The Remuneration Committee consisted of three directors during the F.Y. 2013-14

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

### 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 complied with the Code of Conduct. Declaration to this effect signed by the Chairman-Cum-Managing Director is enclosed with this Annual Report.

### 3. SHAREHOLDERS

#### a) Disclosures regarding appointment or re-appointment of Directors

According to the Articles of Association of the Company, one third of such of the Directors for the time being are liable to retire by rotation shall retire and, if eligible, offer themselves for re-election at the Annual General Meeting. Accordingly, Sh. Raj Kumar Sood, Director, retires by rotation in the ensuing Annual General Meeting. The Board has recommended the re-election of Sh. Raj Kumar Sood, as Independent Director to the shareholders.

It is proposed to appoint Mrs. Kamaljeet Kaur as an Independent Director for the term of 5 Years who was appointed as an Additional Director of the Company by board of Director of Company w.e.f 30.05.2014

Sh. Raghu Nath Nayyar and Sh. Raj Kumar Sood are proposed to be appointed as Independent Directors for the term of 5 Years.

Sh. Ritesh Arora has been appointed as CFO of Company w.e.f 30.05.2014

#### b) Communication to Shareholders

The quarterly, half yearly and annual results are generally published in Business Standard and Desh Sewak.

#### c) Compliance Officer

Sh. Rajiv Arora, Chairman-Cum-Managing Director is the Compliance Officer of the Company. He can be contacted for any investor's related

matter relating to the Company. His contact no. is 91-01675-240321, fax no. is 91-01675-240372 and e-mail ID is rajiv\_ritesh2007@rediffmail.com.

#### d) General Body Meetings

The last three Annual General Meetings were held as per the details given below:

Year	Venue	Time
2012-2013	356, Industrial Area 'A' Ludhiana-141003	28 <sup>th</sup> September 2013 at 11:00 A.M.
2011-2012	356, Industrial Area 'A' Ludhiana-141003	22 <sup>nd</sup> September 2012 at 11:00 A.M.
2010-2011	356, Industrial Area 'A' Ludhiana-141003	26 <sup>th</sup> September 2011 at 11:00 A.M.

#### e) Postal Ballot

During the year under review, the Company has not passed any resolution through postal ballot.

### 4. GENERAL SHAREHOLDERS INFORMATION

The following information would be useful to our shareholders:

#### a) 32<sup>nd</sup> Annual General Meeting

Date & Time 27<sup>th</sup> day of September 2014 at 11.00 A.M.

Venue 356, Industrial Area -A , Ludhiana-141003.

Financial Year 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014

#### b) Financial Calendar 2014-15 (Tentative)

First Quarter Results August, 2014

Second Quarter Results November, 2014

Third Quarter Results February, 2015

Annual Results May, 2015

#### c) Date of Book Closure:

25<sup>th</sup> day of September, 2014 to 27<sup>th</sup> day of September, 2014 (both days inclusive)

#### d) The shares of the Company are listed on the following Stock Exchanges:

##### Name and Address of Stock Exchanges

The Bombay Stock Exchange Limited, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

The Delhi Stock Exchange Limited

DSE House, 3/1 Asaf Ali Road, New Delhi-110002.



**e) Registrar & Transfer Agent**

Skyline Financial Services Private Limited  
D-153 A, 1st Floor,  
Okhla Industrial Area, Phase- I  
New Delhi- 110020  
Phones: 011-64732681-88  
Fax: 091 11 26812682  
E-mail: admin@skylinerta.com

**f) Market price data**

Monthly high and low prices of equity shares of Ritesh International Limited at the Stock Exchange, Mumbai (BSE) in comparison to sensex are given hereunder:-

Month	BSE				
	Share Prices		Volume	Sensex	
	High	Low		High	Low
April, 2013	4.37	3.99	210	19,622.68	18,144.22
May, 2013	-	-	-	20,443.62	19,451.26
June, 2013	5.03	4.58	4,280	19,860.19	18,467.16
July, 2013	6.33	5.01	2,088	20,351.06	19,126.82
August, 2013	7.44	6.42	4,420	19,569.20	17,448.71
September, 2013	8.49	7.40	363	20,739.69	18,166.17
October, 2013	8.93	7.30	2,424	21,205.44	19,264.72
November, 2013	8.73	7.99	1,210	21,321.53	20,137.67
December, 2013	9.39	8.30	650	21,483.74	20,568.70
January, 2014	8.90	6.46	8,371	21,409.66	20,343.78
February, 2014	6.65	4.99	8,170	21,140.51	19,963.12
March, 2014	5.29	4.01	23,474	22,467.21	20,920.98

Source : www.bseindia.com

**g) Share transfers**

Share transfers are done by the Company's Registrar and Share Transfer agents Skyline Financial Services Private limited, New Delhi Share transfers are registered and returned within a period of 10 days from the date of receipt. Share Transfer Committee met 15 times and 49,664 shares were transferred in physical form and 71,005 shares were dematerialised form and 5 shares were Rematerialized during the year under review.

**Distribution of Shareholding**

The Shareholding in Ritesh International Limited by major categories of Shareholders as on March 31<sup>st</sup> 2014 is as under:

**i) Shareholding Pattern:**

Shareholding pattern of Ritesh International Limited as on March 31<sup>st</sup> 2014 and March 31<sup>st</sup>, 2013 for the purpose of reporting in the Annual Report of the Company for the year 2013-14 is given as under:

Category	As On 31.03.2014		As On 31.03.2013	
	No. of Equity Shares	%	No. of Equity Shares	%
Promoter & Promoter Group	40,72,379	47.61	40,46,139	47.31
Mutual Funds/ Financial Institutions/ Banks	5,700	0.07	5,700	0.07
Body Corporate	5,93,420	6.94	5,99,491	7.01
NRIs	1,59,475	1.86	1,59,875	1.87
Others	37,21,848	43.52	37,41,617	43.74

**ii) Distribution Schedule:**

Shareholding of Nominal value of each share/unit Rs 10	Shareholders		No. of Shares held	
	Number	% age	Numbers	% age
upto 5000	8708	85.24	1746660	20.42
5001 to 10000	1012	9.91	774736	9.06
10001 to 20000	316	3.09	455238	5.32
20001 to 30000	74	0.72	186077	2.18
30001 to 40000	20	0.20	67878	0.79
40001 to 50000	13	0.13	59814	0.70
50001 to 100000	37	0.36	275759	3.22
100001 & above	36	0.35	4986660	58.30
<b>TOTAL</b>	<b>10216</b>	<b>100.00</b>	<b>8552822</b>	<b>100.00</b>

**g) Dematerialization of Shares**

67.82% of Equity Shares of the Company are in dematerialized form as on 31<sup>st</sup> March, 2014. The shares of the company are available for dematerialization with both the depositories i.e. NSDL and CDSL vide ISIN No. INE 534D01014.

**h) Outstanding Convertible Instruments**

The Company has no outstanding convertible instruments.

**i) Address for Correspondence**

Ritesh International Limited,  
356, Industrial Area –A,  
Ludhiana - 141003  
Ph.: 0161-5059126



## STATUTORY AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

**The Members of  
Ritesh International Limited**

We have examined the compliance of the conditions of the Corporate Governance by Ritesh International Limited for the year ended 31<sup>st</sup> March 2014, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period of exceeding one month against the Company as per the records maintained by the Shareholders'/Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Ashok Shashi & Co.**

(FRN No. 013258N)

Chartered Accountants

sd/-

**(Budh Kumar)**

Partner.

M. No. 098415

Place : Ludhiana

Dated : 30.05.2014

### CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I Rajiv Arora, Chairman-cum-Managing Director of Ritesh International Limited, certify that:

- I have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of my knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- I accept responsibility for establishment and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or purpose to take to rectify these deficiencies.
- I have indicated to the auditors and the Audit Committee
  - Significant changes in internal controls during the year.
  - Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements, and
  - Instances of significant fraud of which we have become aware and involvement therein, if any of the management or other employees who have a significant role in the company's internal controls systems.
- I further declare that all board members and senior managerial personal have affirmed compliance with the code of conduct for the financial year 31<sup>st</sup> March, 2014.

**For Ritesh International Limited**

sd/-

**(Rajiv Arora)**

**Chairman-cum-Managing Director**

**DIN No. 00079838**

**1108/1, Tagore Nagar, Civil Lines,**

**Ludhiana-141001**

Place : Ludhiana

Dated : 14.08.2014



## AUDITOR'S REPORT

To  
The Members of  
**Ritesh International Limited,**  
**Ludhiana**

### Report on the Financial Statements

We have audited the accompanying financial statements of Ritesh International Limited (the "Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the act') read with the general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements Notes on Accounts, subject to Note no.33 regarding the show cause notice issued by the Excise Department, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) As required by section 227(3) of the Companies Act, 1956, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ('the act') read with the general circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (e) on the basis of written representations received from the directors, as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**For Ashok Shashi & Co.,**  
(FRNo. 013258N)  
Chartered Accountants  
sd/-

**(Budh Kumar)**  
Partner  
**M. No.098415**

Place:Ludhiana  
Dated 30.05.2014



**ANNEXURE TO AUDITORS' REPORT**

(Referred to in Paragraph (1) of our Report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. On 13.02.2005 there was a fire in the office premises, in which some of the records of the company maintained up to 31.03.2004 have been destroyed including the fixed asset register.

maintained under Section 301 of the Companies Act, 1956, to which the company has granted loans. The year-end balance of loans granted to such parties was Rs.3.20 Lacs (Previous Year Rs.1.29 Lacs).
- b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals by rotation as per the verification plan adopted by the company which is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- c) As per the information and explanations given to us, the company has not disposed of substantial part of the fixed assets during the year.
2. a) Inventories have been physically verified by the management at reasonable intervals during the year/at the year end except the stocks lying with third parties.

b) In our opinion and according to the information and explanations given to us, the rate of interest, where applicable and other terms and conditions, are not prima facie prejudicial to the interest of the company.
- b) As explained to us, the procedures for physical verification of the stocks refer to in (a) above followed by the management, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of its inventories except for its knitwear division and the discrepancies noticed on such physical verification is not material and have been adequately dealt with in the books of accounts.
3. a) The Company has taken loan from Nil (Previous year one) companies/firms /Individuals covered in the register maintained under Section 301 of the companies Act, 1956. The year-end balance of loans taken from such parties was Rs. Nil (Previous Year Rs. 2.90 Lacs). There are Two (Previous year one) companies/firms covered in the register
- c) The principal amounts are repayable/receivable on demand and there is no repayment schedule. The interest, where applicable, is payable/receivable on demand.
- d) Since the loans are repayable/receivable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets.
5. (a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the company has no transaction exceeding Rs.5.00 lacs or more with the parties to be entered into the register maintained u/s 301 of the Companies Act, 1956.
6. The company has not accepted any deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and the nature of its business.



8. Maintenance of cost records has been prescribed by the Central Government under Clause (d) of subsection (1) of Section 209 of the Companies Act, 1956.
9. a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales tax, Wealth Tax, Custom Duty, Excise duty and other Statutory dues.  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they become payable.  
c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, there are no dues payable in respect of Income tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and any other statutory dues which are in dispute and have not been deposited with appropriate authorities.
10. The company has been registered for a period of more than five years, having an existing Share Capital of Rs.855.28 Lacs. Its accumulated losses at the end of the financial year amounted to Rs.796.85 Lacs (Previous year Rs. 856.75 lacs). It has earned cash profit of Rs.133.62 Lacs in the financial year under review and incurred cash losses of Rs.35.63 Lacs in the financial year immediately preceding such financial year.
11. Based on our Audit procedure and on the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institution/bank.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of this Clause of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.
14. According to information and explanations given to us, the company is not dealing or trading in share and securities. All investments in shares have been held by the company in its own name.
15. According to information and explanations given to us, the company has not given guarantees for loans taken by others from the bank or financial institutions.
16. The company has taken term loan during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the company as at 31<sup>st</sup> March, 2014, we report that no significant funds raised on a short term basis have been used for long term investments.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the company has not made any preferential allotment of shares during the year.
19. The company has no outstanding debentures during the year under audit.
20. The Company has not raised any money by public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Ashok Shashi & Co.,**  
(FRNo.013258N)  
Chartered Accountants  
sd/-  
**(Budh Kumar)**  
Partner  
**M. No.098415**

Place:Ludhiana  
Dated 30.05.2014





**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

(Amount in Rupees)

PARTICULARS	NOTES	31.03.2014	31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>A) Shareholder's Fund</b>			
(a) Share Capital	2	85,528,220.00	85,528,220.00
(b) Reserve & Surplus	3	87,430,236.16	81,440,399.76
		<u>172,958,456.16</u>	<u>166,968,619.76</u>
<b>B) Non Current Liabilities</b>			
(a) Long term Borrowings	4	12,159,719.00	15,646,628.87
(b) Other Long term Liabilities	5	-	290,000.00
		<u>12,159,719.00</u>	<u>15,936,628.87</u>
<b>C) Current Liabilities</b>			
(a) Short term Borrowings	6	26,214,373.27	28,518,425.84
(b) Trade Payable	7	6,725,202.99	19,308,651.32
(c) Other Current Liabilities	8	5,734,207.00	3,255,263.00
(d) Short term provisions	9	1,079,259.00	1,028,096.00
		<u>39,753,042.26</u>	<u>52,110,436.16</u>
		<u>224,871,217.42</u>	<u>235,015,684.79</u>
<b>II. ASSETS</b>			
<b>A) Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	10	102,755,391.44	107,235,701.75
ii) Capital work-in-progress		-	-
(b) Non Current Investments	11	162,000.00	162,000.00
(c) Long term Loans & Advances	12	48,628,254.46	65,992,158.46
		<u>151,545,645.90</u>	<u>173,389,860.21</u>
<b>(B) Current assets</b>			
(a) Current Investments	13	5,434,532.71	4,846,862.86
(b) Inventories	14	41,569,296.45	19,616,728.02
(c) Trade Receivables	15	15,602,896.96	20,776,696.26
(d) Cash and cash equivalents	16	3,526,347.49	8,151,629.37
(e) Short-term loans and advances	17	7,192,497.91	8,233,908.07
		<u>73,325,571.52</u>	<u>61,625,824.58</u>
		<u>224,871,217.42</u>	<u>235,015,684.79</u>

**Significant Accounting Policies and Notes to Accounts** 1 to 41

The accompanying notes are an integral part of the financials statements  
As per our report of even date

**For and on behalf of the Board**

For **Ashok Shashi & Co.**

(FR No.013258N)

Chartered Accountants

sd/-

**(Budh kumar)**

Partner

M.No.098415

sd/-

**(Rajiv Arora)**

Chairman-cum-  
Mg. Director

sd/-

**(Ritesh Arora)**

Executive Director

Place: Ludhiana

Date : 30.05.2014



**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>NOTES</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>INCOME</b>			
Revenue from Operations	18	<b>2,44,128,303.32</b>	187,510,837.49
Other Income	19	<b>6,637,385.69</b>	11,135,990.73
<b>Total Revenue</b>		<b><u>250,765,689.01</u></b>	<u>198,646,828.22</u>
<b>EXPENSES</b>			
Cost of material consumed	20	<b>166,164,566.76</b>	135,208,393.12
Changes in Inventories of finished goods & work in progress	21	<b>(5,521,890.50)</b>	5,280,299.40
Other manufacturing expenses	22	<b>51,718,030.54</b>	35,776,135.54
Employee benefit expenses	23	<b>13,390,462.00</b>	10,922,973.00
Finance charges	24	<b>6,443,639.94</b>	4,206,764.60
Depreciation and amortization expenses	10	<b>7,371,942.98</b>	6,474,735.52
Selling & Other Expenses	25	<b>6,587,547.51</b>	5,403,481.52
Other Expenses	26	<b>4,828,600.02</b>	4,111,920.94
Total Expenses		<b><u>250,982,899.25</u></b>	<u>207,384,703.64</u>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; TAX</b>		<b>(217,210.24)</b>	(8,737,875.42)
Exceptional Items	27	<b>583,265.93</b>	(1,589,361.47)
<b>PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>		<b>366,055.69</b>	(10,327,236.89)
Extraordinary Items	28	<b>5,623,780.70</b>	-
Profit before Tax		<b>5,989,836.39</b>	(10,327,236.89)
Tax Expenses			
a) Current Tax		-	-
b) Tax for earlier years		-	(290,000.00)
<b>PROFIT FOR THE YEAR</b>		<b>5,989,836.39</b>	(10,037,236.89)
Earning per Share (of Rs. 10/- each)			
(1) Basic & Diluted	29	<b>0.70</b>	(1.17)

**Significant Accounting Policies and Notes to Accounts** **1 to 41**The accompanying notes are an integral part of the financials statements  
As per our report of even date**For and on behalf of the Board**For **Ashok Shashi & Co.**  
(FRNo.013258N)  
Chartered Accountantssd/-  
**(Budh kumar)**  
Partner  
M.No.098415sd/-  
**(Rajiv Arora)**  
Chairman-cum-  
Mg. Directorsd/-  
**(Ritesh Arora)**  
Executive DirectorPlace: Ludhiana  
Date : 30.05.2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>For the year ended 31.03.2014</b>	<b>For the year ended 31.03.2013</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax & Extra Ordinary items	<b>5,989,836.39</b>	(10,327,236.89)
<b>Adjustments for</b>		
- Depreciation	<b>7,371,942.98</b>	6,474,735.52
- Interest paid on borrowing	<b>6,159,589.00</b>	3,908,125.00
- Profit/Loss on sale of Assets	<b>(5,623,780.70)</b>	-
- Dividend/interest received	<b>5,214,705.64</b>	15,396,099.52
<b>Operating profit before working capital charges</b>	<b>19,112,293.31</b>	5,068,862.63
<b>Adjustments for</b>		
- Inventory	<b>(21,952,568.43)</b>	11,603,685.66
- Receivable	<b>5,173,799.30</b>	(3,671,103.49)
- Payable	<b>(12,357,393.90)</b>	(2,424,866.54)
- Loans & Advances (Short Term)	<b>1,041,410.16</b>	3,571,036.59
Cash Generated from operations	<b>(8,982,459.56)</b>	14,147,614.85
Interest paid	<b>(6,159,589.00)</b>	(3,908,125.00)
Taxes Paid	-	(290,000.00)
<b>Net Cash from operating activities (A)</b>	<b>(15,142,048.56)</b>	10,529,489.85
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(5,314,758.96)</b>	(19,727,912.73)
Sale of Fixed Assets	<b>8,046,907.01</b>	-
Purchase/Sale of Investment	<b>(587,669.85)</b>	(67,185.48)
Loans & Advances (Long Term)	<b>17,363,904.00</b>	6,373,997.00
Interest/Dividend Received	<b>(5,214,705.64)</b>	(5,013,239.00)
<b>Net cash used in investing activities (B)</b>	<b>14,293,676.56</b>	(18,434,340.21)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing (Net)	<b>(3,776,909.87)</b>	14,029,770.87
Net cash from financing activities ©	<b>(3,776,909.87)</b>	14,029,770.87
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		
Cash equivalents (A+B+C)	<b>(4,625,281.87)</b>	6,124,920.51
Cash and Cash equivalents(Opening Balance)	<b>8,151,629.36</b>	2,026,708.85
Cash and Cash equivalents(Closing Balance)	<b>3,526,347.49</b>	8,151,629.36

**AUDITOR'S REPORT**

As per our report of even date

For **Ashok Shashi & Co.**

(FRNo.013258N)

Chartered Accountants

sd/-

**(Budh Kumar)**

Partner

M.No.098415

Place: Ludhiana

Date : 30.05.2014

**For and on behalf of the Board**

sd/-

**(Rajiv Arora)****Chairman-cum-  
Mg. Director**

sd/-

**(Ritesh Arora)****Executive Director**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****1. SIGNIFICANT ACCOUNTING POLICIES:****a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and in accordance with Accounting Standards applicable in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company

**b) Fixed Assets**

All fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

**c) Inventories**

The inventories have been determined on the basis of FIFO method and basis of determining cost for various categories of inventories are Raw Material at cost price, Finished Goods at market price, Work-in-process at estimated cost and Stores & Spares at cost or realizable value whichever is lower.

**d) Revenue Recognition**

The sales are recognized on mercantile basis.

Job work was recognized at the time of raising the invoice in favour of Customer.

Profit against Commodity dealing at the time of square up of the contract.

Profit/loss on shares at the time of delivery of shares or square up of the deal.

Vat tax liabilities are accounted for on the basis of Vat tax returns filed by the Company with the department. Additional liability, if any, arises at the time of assessment, will be accounted for in the year of finalization of the assessment.

**e) Depreciation**

Depreciation has been calculated on Straight Line Method as per Companies Act, 1956 at the rates of depreciation prevalent at the time of acquisition of assets.

**f) Retirement Benefits**

Gratuity liability has been accounted for on an accrual basis.

Contribution to Provident Fund, Family Pension Scheme, ESI and Leave with Wages are accounted for on an accrual basis and charged to Profit & Loss Account accordingly.

**g) Investments**

Investments are valued at cost plus incidental expenses, if any.

**h) Accounting of Taxes on Income**

No Provision for Income tax has been made keeping in view the losses during the year and according to the provisions of Income tax Act, 1961.

Consequent to the issuance of Accounting Standard 22(AS-22) "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India which is mandatory in nature, the company has reviewed Deferred Taxes which result from the timing difference between the Book Profits and Tax Profits.

In consideration of prudence as set out in paragraph 15 to 18 of AS-22, considering the accumulated losses, sufficient future taxable income cannot be estimated with virtual or reasonable certainty. The company therefore has not recognized Net Deferred Tax Assets in the Financial Statement for the current. Further in accordance with paragraph 19 of AS-22 the Net Deferred Tax Asset, if any, shall be reassessed at the end of each Balance Sheet date hereafter and accordingly due recognition shall be given in the Financial Statements.

**i) Provisions, Contingent Liabilities and Contingent Assets:**

(i) Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of a past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Assets.

(ii) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date in accordance with the Accounting Standard AS-29 on "Provisions, Contingent Liabilities and Contingent Assets" notified under the Companies (Accounting Standards) Rules, 2006.

**j) Borrowing Costs:**

Borrowing costs, attributable to the acquisition/construction of qualifying assets are capitalized and the amount capitalized during the year is Rs. NIL (Previous Year Rs.1088948/-). Other borrowing costs are charged to the statement of Profit and loss Account.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2014	31.03.2013
<b>2.</b>	<b>SHARE CAPITAL ACCOUNT</b>		
	Authorized		
	10000000 Equity Shares of Rs.10/- each	<u>100,000,000.00</u>	<u>100,000,000.00</u>
	Issued		
	8830000 Equity Shares of Rs.10/- each	<u>88,300,000.00</u>	<u>88,300,000.00</u>
	Subscribed & Paid up		
	8552822 Equity Shares of Rs.10/- each	<u>85,528,220.00</u>	<u>85,528,220.00</u>
	<b>TOTAL</b>	<u><b>85,528,220.00</b></u>	<u><b>85,528,220.00</b></u>

**Notes:**

i) **The company has one class of Equity Shares having a par value of Rs.10/- each. Each holder is eligible for one vote per share held.**

ii) **Detail of shares held by each shareholder holding more than 5% Shares**

Sr. No.	Name of the Shareholder	No. of Shares	% holding	No. of Shares	% holding
1.	Sh. Rajiv Arora	2251510	26.32	1751510	20.48
2.	Sh. Sanjev Arora	0	0	1225403	14.33
3.	Rajiv Arora (HUF)	602563	7.05	576323	6.74
4.	Ritesh Arora	439309	5.14	0	0

**3. RESERVE & SURPLUS****a) Capital Subsidy**

Opening Balance	<u>1,500,000.00</u>	<u>1,500,000.00</u>
Additions during the year	-	-
Closing Balance	<u>1,500,000.00</u>	<u>1,500,000.00</u>

**b) Capital Reserve**

Opening Balance	<u>37,193,789.07</u>	<u>37,193,789.07</u>
Additions during the year	-	-
Closing Balance	<u>37,193,789.07</u>	<u>37,193,789.07</u>

**c) Forfeited Share Reserve**

Opening Balance	<u>3,188,720.00</u>	<u>3,188,720.00</u>
Additions during the year	-	-
Closing Balance	<u>3,188,720.00</u>	<u>3,188,720.00</u>

**d) Securities Premium Reserve**

Opening Balance	<u>46,208,220.00</u>	<u>46,208,220.00</u>
Additions during the year	-	-
Closing Balance	<u>46,208,220.00</u>	<u>46,208,220.00</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2014	31.03.2013
<b>e)</b>	<b>General Reserve</b>		
	Opening Balance	62,500,000.00	62,500,000.00
	Additions during the year	-	-
	Closing Balance	<u>62,500,000.00</u>	<u>62,500,000.00</u>
<b>f)</b>	<b>Revaluation Reserve</b>		
	Opening Balance	10,000,000.00	10,000,000.00
	Additions during the year	-	-
	Closing Balance	<u>10,000,000.00</u>	<u>10,000,000.00</u>
<b>g)</b>	<b>Investment Allowance Reserve (Utilised)</b>		
	Opening Balance	6,524,950.04	6,524,950.04
	Additions during the year	-	-
	Closing Balance	<u>6,524,950.04</u>	<u>6,524,950.04</u>
<b>h)</b>	<b>Profit &amp; Loss Account</b>		
	Opening Balance	(85,675,279.35)	(75,638,042.46)
	Additions during the year	5,989,836.39	(10,037,236.89)
	Closing Balance	<u>(79,685,442.96)</u>	<u>(85,675,279.35)</u>
	<b>TOTAL</b>	<u>87,430,236.16</u>	<u>81,440,399.76</u>
<b>4.</b>	<b>LONG TERM BORROWINGS</b>		
	Secured #		
a)	From Bank\$	12,159,719.00	15,357,875.40
b)	From Others#	-	288,753.47
	<b>TOTAL</b>	<u>12,159,719.00</u>	<u>15,646,628.87</u>
	\$ Secured against the Hypthocation of Plant & Machinery		
	# Secured against the Hypthocation of the vehicles		
<b>5.</b>	<b>OTHER LONG TERM LIABILITIES</b>		
a)	From Related Parties	-	290,000.00
	<b>TOTAL</b>	<u>-</u>	<u>290,000.00</u>
<b>6.</b>	<b>SHORT TERM BORROWINGS</b>		
a)	Loans Repayable on Demand- Secured		
	From Banks	26,214,373.27	28,518,425.84
	<b>TOTAL</b>	<u>26,214,373.27</u>	<u>28,518,425.84</u>

The Working Capital facility secured by hypothecation of entire present and future movable assets of the company such as stocks of raw material, work in process, finished goods, stores & book debts etc. Overdraft facility also guaranteed by promoter directors of the company.


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2014	31.03.2013
<b>7.</b>	<b>TRADE PAYABLE</b>		
	a) Trade Payable	<u>6,725,202.99</u>	<u>19,308,651.32</u>
	<b>TOTAL</b>	<u>6,725,202.99</u>	<u>19,308,651.32</u>
	Trade Payable includes Rs. NIL (Previous year Rs. NIL) due to creditors registered with Micro, Small and Medium Enterprises Development Act, 2006(MSME)		
	No interest is paid/payable during the year to Micro, Small and Medium Enterprises.		
	The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.		
<b>8.</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advances from Customers	<b>6,22,001.00</b>	504,445.00
	Statutory Dues	<b>345,147.00</b>	405,837.00
	Other Liabilities	<b>2,399,199.00</b>	1,996,751.00
	Cheque Issued but presented later on	<u>2,367,860.00</u>	<u>348,230.00</u>
	<b>TOTAL</b>	<u>5,734,207.00</u>	<u>3,255,263.00</u>
<b>9.</b>	<b>SHORT TERM PROVISIONS</b>		
	(a) Provision for employee benefits	<b>1,079,259.00</b>	1,028,096.00
	(b) Others	-	-
	<b>TOTAL</b>	<u>1,079,259.00</u>	<u>1,028,096.00</u>

**10. TANGIBLE ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.04.2013	Additions	Sale/ Deductions	As at 31.03.2014	Upto 1.04.2013	For the Year	Adjustment/ Deductions	Upto 31.03.2014	As At 31.03.2014	As At 31.03.2013
Land Freehold	6,123,000.00	-	-	<b>6,123,000.00</b>	-	-	-	-	<b>6,123,000.00</b>	6,123,000.00
Building	24,451,545.65	-	1,728,000.00	<b>22,723,545.65</b>	12,643,051.06	625,366.42	-	<b>13,268,417.48</b>	<b>9,455,128.17</b>	11,808,494.59
Plant & Machinery	179,444,954.64	4,087,760.98	985,188.00	<b>182,547,527.62</b>	92,836,280.80	6,251,218.61	388,343.99	<b>98,699,155.428</b>	<b>83,848,372.20</b>	86,608,673.84
Furniture & Fixture	1,370,915.73	27,888.00	-	<b>1,398,803.73</b>	807,428.79	63,078.77	-	<b>870,507.56</b>	<b>528,296.17</b>	563,486.94
Vehicles	4,462,192.40	1,199,110.00	293,380.00	<b>5,367,922.40</b>	2,330,146.01	432,279.17	195,097.70	<b>2,567,327.48</b>	<b>2,800,594.92</b>	2,132,046.39
<b>TOTAL</b>	<b>215,852,608.42</b>	<b>5,314,758.98</b>	<b>3,006,568.00</b>	<b>218,160,799.40</b>	<b>108,616,906.66</b>	<b>7,371,942.98</b>	<b>583,441.69</b>	<b>115,405,407.94</b>	<b>102,755,391.44</b>	<b>107,235,701.76</b>
Previous Year	187,188,111.69	28,664,496.73	-	<b>215,852,608.42</b>	102,142,171.14	6,474,735.52	-	<b>108,616,906.66</b>	<b>107,235,701.76</b>	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2014	31.03.2013
<b>11. NON CURRENT INVESTMENTS</b>			
	<b>QUOTED</b>		
	Nil (P.Y 8600) Equity Shares of Rs.10/- of Ritesh Properties & Ind Ltd.	-	-
	<b>UN QUOTED</b>		
	40000 Equity Shares of Rs.10/- of Pantagon Finance Ltd.	<b>162,000.00</b>	162,000.00
	<b>TOTAL</b>	<b>162,000.00</b>	162,000.00
	Market Value of Quoted Investments	-	-
<b>12. LONG TERM LOANS &amp; ADVANCES</b>			
	Security Deposits, considered Good	<b>2,055,818.40</b>	2,058,769.40
	Other Loans & Advances, Considered Good	<b>46,572,436.06</b>	63,933,389.06
	<b>TOTAL</b>	<b>48,628,254.46</b>	65,992,158.46
<b>13. CURRENT INVESTMENTS</b>			
	<b>Trade Investments</b>		
	<b>Quoted</b>		
	414 Equity Shares of Aurobindo Pharma Ltd.	<b>81,379.65</b>	81,379.65
	NIL(P.Y9)Equity Shares of Exide Industries Ltd.	-	1,321.20
	1200 Equity Shares of Fortis Healthcare Ltd.	<b>198,337.99</b>	198,337.99
	468 Equity Shares of Gati Corporation Ltd.	<b>19,142.36</b>	19,142.36
	3636 Equity Shares of GMR Infra Ltd.	<b>123,806.30</b>	123,806.30
	36828 Equity Shares of Himachal Futuristic Ltd.	<b>467,228.46</b>	467,228.46
	NIL(P.Y 1928) Equity Shares of L & T Finance Holding Ltd.	-	88,841.31
	720(P.Y Nil) Equity Shares of Claris Life Science Ltd	<b>129,175.54</b>	-
	100 Equity Shares of Rs.10/- each of Indian Overseas Bank	<b>2,400.00</b>	2,400.00
	51952 Equity Shares of Kingfisher Airlines Ltd.	<b>1,066,892.55</b>	1,066,892.55
	11842(P.Y10172)Equity Shares of PTC India Ltd.	<b>170,783.01</b>	155,176.60
	1080(P.YNil) Equity Shares of Spice Jet Ltd	<b>20,629.60</b>	-
	600 Equity Shares of TVS Motor Co. Ltd.	<b>28,117.22</b>	28,117.22
	720(P.Y. Nil) Equity Shares of India Bull Power Ltd	<b>6,365.18</b>	-
	97(P.Y. Nil) Equity Shares of Ingersoll Rand India Ltd	<b>37,771.19</b>	-
	3176(P.Y 2578) Equity Shares of Rs.10/- each of Wyeth Ltd.	<b>2,720,599.07</b>	2,252,314.63
	708 Equity Shares of Zydus Wellness Ltd.	<b>361,904.59</b>	361,904.59
	<b>TOTAL</b>	<b>5,434,532.71</b>	4,846,862.86
	Market Value of Quoted Investments	<b>5,089,020.71</b>	4,226,071.88



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2014	31.03.2013
<b>14. Inventories</b>			
	(As taken, valued & certify by the management)		
	Raw Material	19,656,877.14	4,895,365.72
	Work in Progress	2,167,825.00	945,863.00
	Finished Goods	13,441,514.50	9,141,586.00
	Stores & Spares	6,303,079.81	4,633,913.30
	<b>TOTAL</b>	<b>41,569,296.45</b>	<b>19,616,728.02</b>
<b>15. Trade Receivables(Unsecured, Considered Good)</b>			
	Outstanding for a period exceeding 6 months	1,747,909.96	1,185,220.00
	Others	13,854,987.00	19,591,476.26
	<b>TOTAL</b>	<b>15,602,896.96</b>	<b>20,776,696.26</b>
<b>16. Cash &amp; Cash Equivalent</b>			
	Cash Balance in Hand	574,746.97	910,580.95
	Balance with Bank in Current Account	1,572,304.52	6,458,186.42
	Cheque Deposited but passed later on	1,379,296.00	782,862.00
	<b>TOTAL</b>	<b>3,526,347.49</b>	<b>8,151,629.37</b>
<b>17. Short-Term Loans and Advances (Unsecured, considered good)</b>			
	Taxes paid in advance	891,921.41	827,507.41
	Advance Excise Duty	903,554.00	1,135,910.00
	Advances to suppliers	2,459,958.22	3,184,451.58
	Advances to Staff	56,000.00	71,400.00
	Other Loans & Advances	2,881,064.28	3,014,639.08
	<b>TOTAL</b>	<b>7,192,497.91</b>	<b>8,233,908.07</b>
<b>18. Revenue from Operations</b>			
i)	Sale of Products	251,673,668.00	198,019,051.99
	Stearic Acids & Other non edible Oils		
ii)	Other Operating Income	20,097,561.32	10,756,329.50
	Sale of Garments etc.		
		271,771,229.32	208,775,381.49
	Less: Excise Duty	27,642,926.00	21,264,544.00
	<b>TOTAL</b>	<b>244,128,303.32</b>	<b>187,510,837.49</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014** (Amount in Rupees)

PARTICULARS	31.03.2014	31.03.2013
<b>19. Other Income</b>		
Interest Income	4,722,280.04	4,965,179.00
Dividend Income	492,425.60	48,060.00
Profit against Sale of Shares	-	(307,261.27)
Profit against Settlement	875,000.00	6,395,000.00
Previous Year income	493,360.00	-
Balances written back	49,954.05	-
Misc Income	4,366.00	35,013.00
<b>TOTAL</b>	<b>6,637,385.69</b>	<b>11,135,990.73</b>
<b>20. Cost of Material Consumed</b>		
Opening Stock		
- Raw Material	4,895,365.72	11,904,654.63
Add: Purchases		
i) Non Edible Oils	166,447,262.15	120,018,746.21
ii) Others	14,478,816.03	8,180,358.00
	<u>185,821,443.90</u>	<u>140,103,758.84</u>
Closing Stock		
- Raw Material	19,656,877.14	4,895,365.72
<b>Net Consumption</b>	<b>166,164,566.76</b>	<b>135,208,393.12</b>
<b>21. Change in Inventories</b>		
a) Opening Stock of		
- Finished Goods	9,141,586.00	14,123,653.40
- Work in Progress	945,863.00	1,244,095.00
	<u>10,087,449.00</u>	<u>15,367,748.40</u>
b) Closing Stock of		
- Finished Goods	13,441,514.50	9,141,586.00
- Work in Progress	2,167,825.00	945,863.00
	<u>15,609,339.50</u>	<u>10,087,449.00</u>
<b>(Increase)/Decrease in Inventories</b>	<b>(5,521,890.50)</b>	<b>5,280,299.40</b>
<b>22. Other Manufacturing Expenses</b>		
Chemicals	10,396,764.61	7,129,228.33
Power & Fuel	38,376,775.23	26,561,390.78
Repair and maintenance#	1,521,515.60	924,947.00
Other Expenses	1,422,975.10	1,160,569.43
<b>TOTAL</b>	<b>51,718,030.54</b>	<b>35,776,135.54</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014** (Amount in Rupees)

PARTICULARS	31.03.2014	31.03.2013
<b>26. Other Expenses</b>		
Electric Expenses	334,479.00	317,436.00
Fees & Taxes	681,915.00	461,548.00
Insurance Expenses	237,542.00	254,302.99
Legal & Professional Charges	712,114.00	591,914.00
Vehicle Expenses	128,257.00	266,368.84
Postage & telephone Expenses	282,229.00	279,020.00
Rent	586,000.00	192,000.00
Service Charges	445,423.00	477,292.00
Travelling and Conveyance Expenses#	437,007.00	338,075.20
Charity & Donation	396,500.00	436,210.00
Previous Year Expenses	-	50,600.22
Loss on sale of investments	94,518.02	-
Other Expenses	492,616.00	447,153.69
<b>TOTAL</b>	<b>4,828,600.02</b>	<b>4,111,920.94</b>
<b># Includes Directors Travelling Rs. 4,07,267.00 Previous Year Rs. 2,67,637.20</b>		
<b>27. Exceptional Items</b>		
Profit against commodity/future trading	583,265.93	(1,589,361.47)
<b>TOTAL</b>	<b>583,265.93</b>	<b>(1,589,361.47)</b>
<b>28. Extraordinary Items</b>		
Profit on Sale of Fixed Assets	5,623,780.70	-
<b>TOTAL</b>	<b>5,623,780.70</b>	<b>-</b>
<b>29. Earning Per Share</b>		
a) Net profit after tax	5,989,836.39	(10,037,236.89)
b) Total weighted Average Number of Shares for Basic and Diluted Earning	8,552,822.00	8,552,822.00
c) Basic and Diluted Earning per Share	0.70	(1.17)





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Sr. No.	Name of Company/ Firm/Individual	Nature of Transaction	2013-14 (Rs.)	DR/ CR	2012-13 (Rs.)	DR/ CR
1.	Sh. Rajiv Arora, KMP	Loan Received	20,087,952.00	CR	89,22,800.00	CR
		Loan Repaid	20,442,552.00	DR	96,62,750.00	DR
		Director's Salary	14,00,000.00	DR	13,34,000.00	DR
		Rent Paid	361,600.00	CR	-	
		TDS Debited	7000.00	DR	-	
2.	Sh. Ritesh Arora, KMP	Director's Salary	5,67,000.00	DR	5,31,000.00	DR
3.	Smt. Anita Arora, Others	Rent Paid	1,92,000.00	DR	1,92,000.00	DR
4.	Kamal Oil & Allied Industries Ltd	Loan Given	25,000.00	DR	Nil	DR
5.	Ritesh Properties & Industries Limited	Cheque Payment	16,697,785.00	DR	17,51,000.00	DR
		Cheque Received	104,322.50	CR	-	
		Reimbursement of expenses	100,000.00	DR	Nil	DR
		Fixed Assets- Purchase	515,000.00	CR	-	
		Fixed Assets-Sale	99,000.00	DR	-	

**40. Leases (AS-19) :**  
(Amount in Rupees)

Sr. No.	Particulars	31.03.2014	31.03.2013
a.	The total of future minimum lease payment under non-cancelable operating leases for each of the following periods :		
	1. not later than one year;	<b>7,68,000.00</b>	192,000.00
	2. later than one year and not later than five year;	<b>11,42,000.00</b>	Nil
	3. later than five years;	<b>Nil</b>	Nil
b.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	<b>5,86,000.00</b>	192,000.00
c.	A general description of the lessee's significant leasing arrangements	<b>Nil</b>	Nil

**41. Corresponding figures of the previous year have been regrouped/ rearranged wherever deemed necessary.**

Signature to Notes 1 to 41

**C) Amount Due From/To Related Parties**

Particulars	As at 31.03.2014 (Rs. in Lacs)	As at 31.03.2013 (Rs. in Lacs)
i) Due from Related Parties (Included in Loan & Advance & Sundry Debtors)		
- Associate/Allied Concern	<b>3.20</b>	1.29
ii) Due to Related parties (Included in Current Liabilities & Unsecured Loans)		
- Associate/Allied Concern	<b>Nil</b>	160.77
- Sh. Rajiv Arora, KMP	<b>Nil</b>	2.90

For **Ashok Shashi & Co.**  
(FR No.013258N)  
Chartered Accountants

sd/-  
**(Budh Kumar)**  
Partner  
M.No.098415

For and on behalf of the Board

sd/-  
**(Rajiv Arora)**  
Chairman cum  
Mg. Director

sd/-  
**(Ritesh Arora)**  
Executive Director

Place: Ludhiana  
Date : 30.05.2014

38. The company is not complying with the provisions of section 383 A of the Companies Act, 1956 regarding the appointment of Company Secretary.

39. Expenditure in Foreign Currency on Traveling – Rs.1,68,840/- (Previous Year Nil)







**RITESH INTERNATIONAL LIMITED**

Regd. Office: 356, Industrial Area 'A', Ludhiana-141003  
L15142PB1981PLC004736

**ATTENDANCE SLIP**

Member's Folio No. : .....  
Client ID No. : .....  
DP ID No. : .....  
Name of the Member : .....  
Name of Proxy holder : .....  
No of shares held : .....

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company held on Saturday 27<sup>th</sup> day of September, 2014 at 11.00 A.M. at the Registered Office of the Company at 356, Industrial Area 'A', Ludhiana-141003

\_\_\_\_\_  
Signature of Member/Proxy

**NOTES :**

- 1. **Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.**

**NO GIFTS/COUPONS SHALL BE DISTRIBUTED AT THE MEETING**



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**RITESH INTERNATIONAL LIMITED**

Regd. Office: 356, Industrial Area 'A', Ludhiana-141003  
L15142PB1981PLC004736

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013  
and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : .....  
Registered address: .....  
E-mail Id: .....  
Folio No./ Client Id : .....  
DP ID : .....  
I/We, being the Member (s) of ..... shares of the above named company, hereby appoint  
Name:..... Address :.....  
E-mail Id:.....Signature:.....,or failing him  
Name:.....Address :.....  
E-mail Id:.....Signature:.....or failing him  
Name:..... Address :.....  
E-mail Id:.....Signature:.....  
as my/our proxy to a(end and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the company, to be held on Saturday, September 27<sup>th</sup>, 2014 at 11.00 A.M. at the Registered Office of the Company at 356 Industrial Area A, Ludhiana, Punjab, India. 141003 and at any adjournment thereof in respect of such resolution as are indicated below:



CUT HERE



Resolution No.	Resolution	For	Against
1	To receive, consider and adopt Audited Financial Statements along with reports of the Board Directors and Auditors there on for the financial year ended March 31, 2014		
2 & 6	To appoint a Director in place of Mr. Raj Kumar Sood (DIN 00902545), who retires and being eligible, offers himself for re-appointment as an Independent Director		
3	Appointment of Statutory Auditor and fixing their remuneration		
4	Re- Appointment of Mr. Ritesh Arora (DIN 00080156) as Executive Director, and fix their remuneration.		
5	Appointment of Mr. Raghunath Nayyar, (DIN 01004154) as an Independent Director		
7	Appointment of Mrs. Kamaljeet Kaur (DIN 06951563) as an Independent Director		
8	Alteration of Articles		

Signature of shareholder : ..... Signed this ..... day of ..... 2014



Signature of Proxy holder(s) : ..... .....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the Meeting.



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Regd. Office : 356, Industrial Area 'A',  
Ludhiana - 141 003

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