




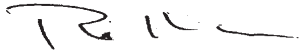


# RITESH INTERNATIONAL LTD.

CIN: L15142PB1981PLC004736

## FORM-A

Format for covering letter of the annual audit report to be filed with the stock exchange.

1.	Name of the Company	Ritesh International Limited
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	Un-Qualified Audit report
4.	Frequency of Observation	Not Applicable
5.	To be Signed by.	
	<ul style="list-style-type: none"><li>(Rajiv Arora) Chairman-Cum-Managing Director</li></ul>	
	<ul style="list-style-type: none"><li>(Ritesh Arora) CFO</li></ul>	
	<ul style="list-style-type: none"><li>(Ashok Shashi &amp; Co.) Statutory Auditor of the Company</li></ul>	
	<ul style="list-style-type: none"><li>(Raghu Nath Nayyar) Audit Committee Chairman</li></ul>	

Regd. Off. : 356 Industrial Area-A, LUDHIANA-141 003. (PB.) Tel. 0161-5059126

Works : Momnabad Road, Akbarpura, Ahmedgarh, Distt. Sangrur (Punjab) Ph. 01675-240321, Fax : 240372

Admn. Office. : 11/5-B, 1st Floor, Pusa Road, New Delhi. 110005, M.: No.: 93102-74568, Ph. No. 25862111, Telefax :25862110

Website : [www.riteshinternational.com](http://www.riteshinternational.com)



33<sup>rd</sup>

Annual Report  
2014–2015

**RITESH INTERNATIONAL LIMITED**



## MANAGEMENT

### BOARD OF DIRECTORS

Chairman-cum-Managing Director

Sh. Rajiv Arora

Executive Director &  
Chief Financial Officer

Sh. Ritesh Arora

Company Secretary

Ms. Neha Bedi

Independent Directors

Sh. Raghu Nath Nayyar  
Sh. Raj Kumar Sood  
Smt. Kamal Khanna

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, 1st Floor, Okhla  
Industrial Area, Phase - I,  
New Delhi - 110020  
Tel.: 011 64732681-88,  
Fax: +91 11 26812682  
Web:www.skylinerta.com

<b>33<sup>rd</sup> ANNUAL GENERAL MEETING</b>	<b>CONTENTS</b>	<b>PAGE NO.</b>
Day : Saturday	Notice	1-4
Date : 26 <sup>th</sup> September, 2015	Directors' Report	5-23
Time : 11.00 a.m.	Management Discussion & Analysis Report	24
Place : 356, Industrial Area-A, Ludhiana-141003.	Corporate Governance Report	25-29
	Auditors' Report	30-32
	Balance Sheet	33
	Profit & Loss Statement	34
	Cash Flow Statement	35
	Notes on Accounts	36-45



## NOTICE

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of **RITESH INTERNATIONAL LIMITED** will be held on Saturday, 26<sup>th</sup> day of September, 2015 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 financial year ended on March 31, 2015 including Audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint Director in place of Sh. Rajiv Arora (DIN 00079838), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To ratify the appointment of Statutory Auditors of the Company and in this regard 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, 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and subject to the approval by members of the Company, the appointment of M/s Ashok Shashi & Co., Chartered Accountants, Ludhiana, Registration No. 013258N, as the Statutory Auditors of the Company, be and is hereby ratified for the financial year 2015-16 at such remuneration as may be finalized by the Board of Directors of the Company.”

### SPECIAL BUSINESS

4. **To approve the re-appointment of Sh. Rajiv Arora as Chairman cum Managing Director of the company and to approve the terms and conditions of re-appointment and 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 196, 197, 203 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 time being in force) subject to such other consents, permissions, Sh. Rajiv Arora be and is hereby re-appointed as Chairman-Cum-Managing Director of the Company for the term of five

years, whose term will be liable to retire by rotation, with effect from 01.08.2015 at the following remuneration:

- a) Salary: 1,24,000/5,500/1,50,500
- b) Perquisites
  - Medical Reimbursement: Expenses incurred for self and family, subject to ceiling of one month's salary in a year or three month's salary over the period of three years.
  - Leave Travel Concession: For self and family, once in a year incurred in accordance with the rules of the Company.
  - Club Fees: Fees for the club subject to a maximum of two clubs. This will not include admission and life membership fees.
  - Personal Accident Insurance: Premium not to exceed 10,000/- per annum.
  - Contribution to Provident Fund, Superannuation fund or Annual fund will not be included in computation of the ceiling of perquisites to the extent these singly or put together are not taxable under the Income Tax Act. The gratuity payable shall not exceed half month's salary for each completed year of service.
  - Provision for use of car on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the company to Sh. Rajiv Arora.

Plus other allowances as may be 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 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 be deemed fit and agreed by Sh. Rajiv Arora, Chairman-Cum-Managing Director.”

“**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. Rajiv Arora, Chairman-Cum-Managing Director, the above mentioned remuneration as minimum remuneration.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are 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. Rajiv Arora, Chairman-Cum-Managing Director of the Company as permissible under the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised 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.”

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

sd/-

Place : Ludhiana

(Rajiv Arora)

Date: 14.08.2015 Chairman-cum-Managing Director

DIN: 00079838

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

**NOTES:**

- I) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice.
- ii) **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. THE BLANK PROXY FORM IS ENCLOSED.**
- iii) 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.
- iv) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- v) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Skyline Financial Services Limited.
- vi) The register of members and the share transfer books of the company will remain closed from 23<sup>rd</sup> September, 2015 to 26<sup>th</sup> September, 2015 (both days inclusive). The book closure dates have been fixed in consultation with Stock Exchanges.
- vii) The Notice of the AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or with the Depository Participant(s), unless members have requested for the hard copy of the same, physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to the Members who have not registered their email address with the Company Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- viii) Members are requested to bring their copies of Annual Reports along with them, as copies of the Annual Report will not be distributed at the meeting.
- ix) Members/proxies are requested to bring their attendance slips sent herewith duly filled in for attending the meeting.
- x) 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.
- xi) M/s. B.K. Gupta & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- xii) The Results of the resolutions passed at the AGM of



the Company will be declared within 48 working hours of the conclusion of AGM. The Results declared along with the Scrutinizer's report shall be placed on Company's website [www.riteshinternationaltd.com](http://www.riteshinternationaltd.com) and on the website of CDSL and will be communicated to the stock exchanges.

- xiii) **Voting through Electronic Means:** Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 33<sup>rd</sup> Annual General Meeting (AGM) by electronic means.

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

- a. The Members whose name appears in the Register of Members of the Company as on 18<sup>th</sup> September, 2015. The Members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting shall commence on 23<sup>rd</sup> September, 2015 at 09:00 a.m. and ends on 25<sup>th</sup> September, 2015 at 05:00 p.m. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- d. Click on "Shareholders" tab.
- e. 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.
- f. Next enter the Image Verification as displayed and Click on Login.
- g. 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.
- h. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 Sequence No. in the PAN field, Sequence No. is Printed on the name slip affixed on the Annual Report</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	<p>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.</p>
Dividend Bank Details	<p>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.</p> <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 /Folio No. in the dividend bank details field as mention in instruction (e)</li> </ul>

- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. 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.



- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.'
- l. Click on the EVSN for <RITESH INTERNATIONAL LIMITED> on which you choose to vote.
- m. 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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- r. 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.
- s. Note for Institutional Shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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.
  - Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e.18<sup>th</sup> September, 2015 may follow the same instructions as mentioned above for e-Voting.
- t. 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).

- u. Members holding equity shares in electronic form and proxies thereof are requested to bring their DP ID and client ID for identification.

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

**Item No.4**

As recommended by the Nomination and Remuneration Committee in its meeting held on 31<sup>st</sup> July, 2015, the Board of Directors has approved the re-appointment of Sh. Rajiv Arora as the Chairman-Cum-Managing Director of the Company w.e.f. 01.08.2015 for a term of five years subject to approval of shareholders in the forthcoming Annual General Meeting. The terms and of conditions of appointment and remuneration are detailed in the resolution. The re-appointment and terms and conditions are subject to approval by members of the Company by way of Special Resolution. Hence, the Bard recommends the resolution for your approval.

**MEMORANDUM OF INTEREST**

Sh. Rajiv Arora, being the appointee himself and Sh. Ritesh Arora being relative of Sh. Rajiv Arora are interested in the proposed resolution. Except them, none of the Directors or Key Managerial Personnel is interested in the resolution. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement and under Companies Act, 2013.

**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	Rajiv Arora
Date of Birth	23/04/1959
Date of Appointment	22/05/1982
Expertise in specific functional area	He has more than 35 years of experience in the business & industry.
No. of Shares in the Company	22,51,510
Qualification	Graduate
Directorships held in other companies	Kishan Chand and Co. Oil Industries Ltd. Kamal Oil and Allied Industries Ltd.
Position held in Mandatory committees of other companies	Nil
Relationship with other Directors	Father of Ritesh Arora Executive Director & CFO

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

**Place : Ludhiana**  
**Date : 14.08.2015**

**(Rajiv Arora)**  
**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 33<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2015.

### **FINANCIAL RESULTS**

Particulars	Amount (Rs. In Lacs)	
	2014-2015	2013-2014
Operating and other income	2921.97	2507.66
Profit/(Loss) before Depreciation	(527.19)	133.62
Less: Depreciation	34.54	73.72
Profit/(Loss) for the year before Tax	(561.73)	59.90
Less: Provision for taxation	-	-
Profit/(Loss) after Tax	(561.73)	59.90

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review your company's operating and other income was of Rs. 2921.97 lacs (previous year 2507.66). The company has incurred a loss of Rs. 561.73 lacs (Previous year profit of Rs 59.90) during the period under review.

Presently, Company is working in two divisions which are Stearic Acids & other non edible oils division and Knitwear division. The Company has made sales of Rs.3226.79 lacs (Previous year 2717.71 lacs) which has resulted into loss of Rs. 561.73 lacs (Previous year Rs 59.90 lacs) during the year under review.

### **INFORMATION ON STATE OF COMPANY'S AFFAIR**

The Company has started its journey in the year 1981 with manufacturing of Stearic Acid (All Grades), Glycerin, and others. The ultimate users of their products are Rubber and PVC industries. The company is trying its best to increase the market share of its products and to economize its production.

### **DIVIDEND**

During the F.Y. 2014-15, the Company has suffered losses. So, in the absence of adequate profits during the year under review your directors had not recommended any dividend to the share holders.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 does not apply.

### **TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013**

During the F.Y 2014-15, the company has suffered losses. So, in absence of profits there is no transfer in reserves of the company. However, company has used its reserves for neutralizing the losses.

### **CHANGES IN SHARE CAPITAL**

There is no change in the Share capital of the company during the Financial Year 2014-15.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Under review during F.Y. 2014-15, Company has not given any loan or Guarantee or provided security in connection with a loan to any other body corporate or person. Further, details of investments made by the company during the year in accordance with Section 186 of Companies Act, 2013 are annexed as "Annexure I".

### **AUDITOR'S**

#### **I) Statutory Auditors**

At the Annual General Meeting held on 27<sup>th</sup> September, 2014 M/s. Ashok Shashi & Co., Chartered Accountant, Ludhiana were appointed as Statutory Auditor of the company to hold office till the conclusion of the 37<sup>th</sup> AGM of the company in terms of provisions of section 139 of the Companies Act, 2013. The Appointment of Statutory Auditors shall be placed for ratification at every Annual General Meeting Accordingly, the appointment of M/s. Ashok Shashi & Co., as statutory auditor is placed for ratification by the members.

#### **ii) Secretarial Auditors**

M/s B.K Gupta & Associates, Company Secretaries has been appointed as Secretarial Auditors of the company by board to conduct the Secretarial Audit for the financial year 2014-15.

#### **iii) Internal Auditors**

M/s Bhushan & Co., Chartered Accountants has been appointed as an Internal Auditors of the company under section 138 of Companies Act, 2013 to conduct internal audit of functions and activities of the company.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Pursuant to Section 197(12) of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose information related to remuneration paid during the year. The detailed information in this regard is annexed to this Annual Report as "Annexure II".

### **RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Board of Directors of the Company have adopted Related Party Transaction Policy and same is available on the following link [http://www.riteshinternationaltd.com/read\\_pdf.php?p\\_id=75](http://www.riteshinternationaltd.com/read_pdf.php?p_id=75).

Further all the necessary details of transactions entered with the related parties as defined under Section 188 of the Companies Act, as defined under Section 2 (76) of the said Act are attached herewith in form No. AOC-2 for your kind perusal and information as "Annexure III".

### **DETAILS AND INFORMATION AS REQUIRED UNDER SECTION 134(3) (L) OF THE COMPANIES, ACT 2013**

No material changes and commitments have taken place between the end of the financial year of the Company to which balance sheet relates and date of report, which affects the financial position of the Company.

### **CONSERVATION OF ENERGY, TECHNOLOGY**





#### **ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption and Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as "Annexure IV".

#### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return, in format MGT-9, for the financial year 2014-15 has been enclosed with this report as "Annexure V".

#### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES**

The Company has no Subsidiary/Joint Venture or Associate companies.

#### **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sh. Rajiv Arora is proposed to be re appointed as Chairman Cum Managing Director of company w.e.f 01.08.2015 for a period of five years.

Sh. Raghu Nath Nayar, Sh. Raj Kumar Sood and Smt. Kamal Khanna, independent directors of the company were appointed by the shareholders at general meeting held on 27<sup>th</sup> September, 2014. Pursuant to Sub-section (10) of section 149 of the Companies Act, 2013 provides that IDs shall hold office for a term of up to five consecutive years on the board of a company and shall be eligible for re-appointment on passing of special resolution by the shareholders of the company. Further, sub-section (13) of section 149, provides that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of section 152 of Companies Act, 2013 shall not apply to IDs. Accordingly none of the IDs retire at ensuing AGM.

No director and Key Managerial Personnel have been appointed during the financial year 2014-15.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received the necessary declaration from each independent director in accordance with section 149 (7) of the Companies Act 2013, that he/she meets the criteria of independence as laid out in sub section (6) of section 149 of the Companies Act, 2013 and clause 49 of the listing agreement.

#### **STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **NUMBER OF MEETINGS**

During the Financial year 2014-2015, 6 meetings of Board of Directors and 6 Meetings of Audit Committee of the Company were held. Detailed information about the meetings is given in corporate governance report which forms the part of Annual Report.

#### **RISK MANAGEMENT POLICY**

The Board of Directors of your Company in its meeting held on 30.05.2014 adopted the Risks Management Policy. The policy establishes the process for the management of risk faced by Ritesh International Limited. The aim of risk management is to maximize opportunities in all activities and to minimize adversity. This policy applies to all activities and processes associated with the normal operations of Ritesh International Limited. The Board of Directors of the Company have adopted Risk Management Policy and same is available on the following link [http://www.riteshinternationaltd.com/read\\_pdf.php?p\\_id=76](http://www.riteshinternationaltd.com/read_pdf.php?p_id=76)

The purpose of the Committee is to assist the Board of Directors in fulfilling its responsibilities with regard to enterprise risk management. Further, the Committee strives to assist the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the risk policy.

#### **EVALUATION BY BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEE AND INDIVIDUAL DIRECTORS WITH REFERENCE TO SECTION 134 (3) (p) OF THE COMPANIES ACT, 2013 AND RULE 8(4) OF THE COMPANIES (ACCOUNTS) RULES 2014 AND CLAUSE 49 OF IV(B) OF THE LISTING AGREEMENT**

Pursuant to the above said provisions of the Companies Act, 2013, rules thereof and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, directors individually as well as the evaluation of the committees as per the criteria laid down in the Nomination Remuneration Evaluation policy. Further the Independent directors have also reviewed the performance of the Non-Independent Directors and Board as a whole including reviewing the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non Executive Directors vide there separate meeting held on 31.03.2015.

#### **COMPANY POLICY RELATING TO DIRECTOR APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

- The Nomination and remuneration Committee of the Company has Formulated the Nomination and Remuneration Policy on Director appointment and remuneration including the criteria for determining qualification positive attributes independence of a director and other matters as provided under section 178(3) of the companies Act, 2013
- The Nomination and Remuneration Policy is annexed hereto and form part of this report as "Annexure -VI".

#### **AUDIT COMMITTEE**

Audit Committee of the company is re-constituted on 14th August, 2014 with the objectives to monitor, supervise and effective management of company's finance, to ensure effective internal financial controls and risk management systems with high level of transparency and accuracy.

The Audit Committee comprises of Sh. Raghu Nath Nayar (Chairman), Sh. Rajiv Arora (Member), Sh. Raj Kumar Sood (Member). The composition of the Audit



Committee consists of independent Directors viz., Sh. Raghu Nath Nayyar and Sh. Raj Kumar Sood who form the majority. The Committee met six times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report.

#### **VIGIL MECHANISM**

The company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other directors. The Company has also provided adequate safeguards against victimization of employees and directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of company employees and the Company. The Board of Directors of the Company have adopted Whistle Blower Policy and same is available on the following link [http://www.riteshinternationaltd.com/read\\_pdf.php?p\\_id=27](http://www.riteshinternationaltd.com/read_pdf.php?p_id=27).

#### **CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement, the report on Corporate Governance together with Auditor's Certificate on compliance with this regard and Managing Director's declaration in this regarding compliance of code of conduct by Board Members and Senior Management Personnel is attached and forms part of this Annual Report.

#### **SECRETARIAL AUDIT REPORT**

Secretarial Audit Report in format MR-3 by M/s B.K Gupta & Associates, Company Secretaries, Ludhiana is annexed with the Board Report. Audit Report is annexed herewith as "Annexure VII".

#### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) They 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) They had prepared the annual accounts on a going concern basis; and
- (e) They had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) They had devised proper systems to ensure

compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **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

#### **GENERAL DISCLOSURE**

Your Director state that No Disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under Review

1. Details relating to Deposits covered under Chapter V of the Act
2. Issue of Equity Shares with Differential right, as to dividend, voting or otherwise
3. Issue of shares with including sweat equity shares to employees of the company under any scheme
4. No significant or Material order were passed by the regulators or courts or tribunal which impact the going concern states and company's operation in future, your director further state that during the year under review, there were no case filed pursuant to sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013

#### **ACKNOWLEDGEMENTS**

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.

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

**Place: Ludhiana  
Date: 14.08.2015**

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

**Annexure I****Details of Investments:-**

Sr. No	Name of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the receiver
1.	Kishan Chand & Co. Oil Industries Ltd	72,390.00	Business Purpose
2.	Tata Global Beverages Ltd	1,53,841.20	Business Purpose
3.	Pfizer Ltd	41,45,175.07	Business Purpose
4.	Kingfisher Airlines Ltd	11,24,651.05	Business Purpose
5.	Rattan India Power Limited	50,717.95	Business Purpose

**Annexure II****Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:**

Median remuneration of all employees of the Company for the Financial Year 2014-15	Rs. 77,040
The Percentage increase in the median remuneration of employees in the Financial Year	12.76%
The number of permanent employees on the roll of the Company as on 31 <sup>st</sup> March, 2015	95

Name of Director/ KMP	Remuneration of Director/KMP for Financial Year 2014-15	Ratio of Remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2014-15	Comparison of the remuneration of the KMP against the performance of the Company
<b>Independent Directors</b>				
Sh.R.K. Sood	Nil	N.A.	Nil	Nil
Sh. Raghu Nath Nayyar	Nil	N.A.	Nil	Nil
Smt. Kamal Khanna	Nil	Nil	Nil	Nil
<b>Executive Directors/KMP</b>				
Sh.Rajiv Arora Chairman Cum M.D	14,66,000	19.03	4.71	Profit has decreased during the current year
Sh.Ritesh Arora, ED CFO	7,92,000	10.28	39.69	
Neha Bedi# Company Secretary	1,65,000	2.14	N.A.	

**Notes:**

# Neha Bedi, Company Secretary, is appointed by the Board of Directors in their meeting held on 30.05.2014.



- (2) Relationship between average increase in remuneration and company performance. The profit after tax for the year is decreased by 1037.81% and whereas median remuneration has increased by 12.76%. The average increase in median remuneration increased whereas the profit after tax declined.
- (3) Comparison of the remuneration of the KMP against the performance of the Company. The total remuneration of KMP has increased by 14.74% from Rs 19,67,000 in 2013-14 to Rs 22,58,000 in 2014-15 whereas the profit after tax decreased as loss is Rs 561.74 lacs of the current year 2014-15 as compared to profits of Rs 59.89 lacs during the year 2013-14.
- (4) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

SrNo	Description	Amount
1.	Market Cap variation	
	Mcap as on 31 <sup>st</sup> March, 2015	3,53,20,000
	Mcap as on 31 <sup>st</sup> March, 2014	3,54,08,300
	Variation in Mcap in FY 2015 (%)	(0.25)
2	Price-to-Earnings Ratio	
	- PE as on 31 <sup>st</sup> March, 2015 (Mkt Price/EPS)	(0.61)
	- PE as on 31 <sup>st</sup> March, 2014 (Mkt Price/EPS)	5.71
3	Offer	
	- IPO price per share	10.00
	- Market price as on 31 <sup>st</sup> March, 2015	4.00
	% decrease from last IPO	60

- (5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- (6) The key parameters for any variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (7) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable since no employee of the Company receives remuneration in excess of highest paid director.
- (8) It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company

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

**Place: Ludhiana  
Date: 14.08.2015**

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



**Annexure-III**

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sh. Rajiv Arora, Chairman-cum-Managing Director of the Company
b)	Nature of contracts/arrangements/transaction	Rent Paid
c)	Duration of the contracts/arrangements/transaction	3 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rent started w.e.f. 01.10.2013 second party will pay monthly rent of Rs. 54000/- (Fifty Four Thousand) per month to the first party
e)	Date of approval by the Board	14/08/2013
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Smt. Anita Arora W/o Sh. Rajiv Arora, Chairman-cum-Managing Director
b)	Nature of contracts/arrangements/transaction	Rent Paid
c)	Duration of the contracts/arrangements/transaction	Not Specified
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Second party will pay Rs. 16000/- per month to the first party. Rent Deed will be effective from 01.01.2008
e)	Date of approval by the Board	31/12/2008
f)	Amount paid as advances, if any	Nil

**Annexure - IV**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. Conservation of energy:**

a) The Company has taken steps to conserve the energy to the best possible extent.

b) 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.

Power & Fuel Consumption	2014-15	2013-14
Electricity		
a) Purchased Unit (KWH)	22.08	23.07
Total Amount (Rs.In Lacs)	168.46	175.62
Rate per Unit (Rs./kwh)	7.63	7.61
b) Own Generation through Diesel Generator (Units in Lacs)		
Diesel Purchased Qty.	1768 Ltrs.	-
Unit (Liters)	4.50	4.50
Cost per Unit (Rs.)	12.30	11.32

**B. Technology absorption:**

The Company has brought and successfully absorbed the conventional technology.

**C. Foreign exchange earnings and outgo:**

a) There were no exports during the year 2014-2015 but efforts are being made by the Company to develop export markets for its products.

(Rs.in Lacs)

B)	Total foreign exchange used and earned	Current Year	Previous Year
	Earned	Nil	Nil
	Used	Nil	1.69



**Annexure V**

**FORM MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the Financial Year ended 31<sup>st</sup> March, 2015**

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of Companies (Management & Administrations) Rules, 2014)

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L15142PB1981PLC004736
2	Registration Date	30/11/1981
3	Name of the Company	RITESH INTERNATIONAL LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5	Address of the Registered office & Contact Details	356 Industrial Area A, Ludhiana -141003, Ph: 0161-5029126
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any. Contact Details:	Skyline Financial Services Private Limited, D-153A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi 110020, Tel: 011 64732681-88, Website : www.skylinerta.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non-Edible Oil	10405	94.11

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:**

S. No.	Name & Address of the company	CIN/GLN	Holding/subsidiary/ Associate	% of Share held	Applicable Section
	Not Applicable				

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**

**1) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1 <sup>st</sup> -April- 2014]				No. of Shares held at the end of the year[As on 31 <sup>st</sup> -March-2015]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	4072379	----	4072379	47.62	4196615	----	4196615	49.07	+1.45
b) Central Govt.	----	----	----	----	----	----	----	----	----
c) State Govt(s)	----	----	----	----	----	----	----	----	----
d) Bodies. Corp.		----	----	----	----	----	----	----	----
e) Banks/Fl	----	----	----	----	----	----	----	----	----
f) Any Other	----	----	----	----	----	----	----	----	----



<b>Sub-total (A) (1) :-</b>	<b>4072379</b>	<b>0.00</b>	<b>4072379</b>	<b>47.61</b>	<b>4196615</b>	<b>0.00</b>	<b>4196615</b>	<b>49.07</b>	<b>+1.45</b>
(2) Foreign	----	----	----	----	----	----	----	----	----
a) NRIs-Individuals	----	----	----	----	----	----	----	----	----
b) Other-Individuals		----	----	----	----	----	----	----	----
c) Bodies-Corp	----	----	----	----	----	----	----	----	----
d) Banks/Fl	----	----	----	----	----	----	----	----	----
e) Any Other	----	----	----	----	----	----	----	----	----
<b>Sub-total (A) (2) :-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter</b>									
<b>(A)=(A)(1)+(A)(2)</b>	<b>4072379</b>	<b>0.00</b>	<b>4072379</b>	<b>47.61</b>	<b>4196615</b>	<b>0.00</b>	<b>4196615</b>	<b>49.07</b>	<b>+1.45</b>
<b>B. Public Shareholding</b>									
1. Institution									
a) Mutual Funds	0.00	5100	5100	0.06	0.00	5100	5100	0.06	0.00
b) Banks/Fl	0.00	600	600	0.01	0.00	600	600	0.01	0.00
c) Central Govt									
d) State Govt	----	----	----	----	----	----	----	----	----
e) Venture Capital Fund	----	----	----	----	----	----	----	----	----
f) Insurance Companies		----	----	----	----	----	----	----	----
g) FIs	----	----	----	----	----	----	----	----	----
h) Foreign Venture Capital Funds	----	----	----	----	----	----	----	----	----
i) Other (Specify)	----	----	----	----	----	----	----	----	----
<b>Sub-total (B)(1)</b>	<b>0.00</b>	<b>5700</b>	<b>5700</b>	<b>0.07</b>	<b>0.00</b>	<b>5700</b>	<b>5700</b>	<b>0.07</b>	<b>0.00</b>
2. Non-Institution									
a) Bodies Corp.	254720	338700	593420	6.94	259010	338700	597710	6.99	0.05
i) Indian									
ii) Overseas									
b) Individual									
i) Individual Shareholders Holding nominal Share capital Upto Rs.1 Lakh	1142597	2144386	3286983	38.43	1110506	2133186	3243692	37.93	(0.5)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	276496	122900	399396	4.67	198456	122900	321356	3.76	(0.91)
c) Other (NRI, HUF, & Clearing Members	54254	140690	194944	2.28	50109	137640	187749	2.19	(0.08)
<b>Sub-total (B) (2):-</b>	<b>1728067</b>	<b>2746676</b>	<b>4474743</b>	<b>52.32</b>	<b>1618081</b>	<b>2732426</b>	<b>4350507</b>	<b>50.87</b>	<b>(1.44)</b>



Category of Shareholders	No. of Shares held at the beginning of the year[As on 1 <sup>st</sup> -April-2014]				No. of Shares held at the end of the year[As on 31 <sup>st</sup> -March-2015]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1728067</b>	<b>2752376</b>	<b>4480443</b>	<b>52.39</b>	<b>1618081</b>	<b>2738126</b>	<b>4356207</b>	<b>50.94</b>	<b>(1.44)</b>
(C). Shares held by Custodian for GDRs & ADRs	----	----	----	----	----	----	----	----	----
Grand Total									
<b>(A+B+C)</b>	<b>5800446</b>	<b>2752376</b>	<b>8552822</b>	<b>100.00</b>	<b>5814696</b>	<b>2738126</b>	<b>8552822</b>	<b>100.00</b>	<b>0.01</b>

**(ii) Shareholding of Promoters**

SN	Shareholder's Name	Shareholding at the beginning of the Year (As on 1 <sup>st</sup> -April- 2014)			Shareholding at the end of year (As on 31 <sup>st</sup> - March-2015)			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbers to total share	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1.	Rajiv Arora	2251510	26.32	---	2251510	26.32	---	—
2.	Rajiv Arora(HUF)	602563	7.05	---	726799	8.50	---	1.45
3.	Anita Arora	184339	2.16	---	184339	2.16	---	—
4.	Ritesh Arora	439309	5.14	---	439309	5.14	---	—
5.	Rijul Arora	311007	3.64	---	311007	3.64	---	—
6.	Roopika Arora	225800	2.64	---	225800	2.64	---	—
7.	Sakshi Arora	27617	0.32	---	27617	0.32	---	—
8.	Bharti Bhushan Jindal	30234	0.35	---	30234	0.35	---	—
	<b>TOTAL</b>	<b>4072379</b>	<b>47.62</b>	<b>0.00</b>	<b>4196615</b>	<b>49.07</b>	<b>0.00</b>	<b>1.45</b>

**(iii) Change in Promoter's Shareholding**

SN	Particulars	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the Company
1	<b>Rajiv Arora (HUF)</b>				
	At the beginning Of the year	602563	7.05		
	Increase/Decrease in Promoters Share holding during the year specifying the reason for increase/decrease (e.g. allotment/ Transfer/bonus/Sweat equity etc)	124216	1.45		
	Creeping Acquisition				
	At the End of the year			726799	8.50





(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 shareholders				
<b>1.</b>	<b>BRISK SECURITIES LTD</b>				
	At the beginning of the year	172150	1.95	-	-
	At the End of the year (or on the date of separation, if separated During the year)	-	-	172150	1.95

SN	Particulars	Shareholding at the beginning of year (01.04.2015)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 shareholders				
<b>2.</b>	<b>MACKERTICH CONSULTANCY SERVICES PRIVATE LIMITED</b>				
	At the beginning of the year	97028	1.10	-	-
	At the End of the year (or on the date of separation, if separated During the year)	-	-	97028	1.10

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 shareholders				
<b>3.</b>	<b>FORTIS FINANCIAL SERVICES LTD</b>				
	At the beginning of the year	77000	0.87	-	-
	At the End of the year (or on the date of separation, if separated During the year)	--	--	77000	0.87

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 shareholders				
<b>4.</b>	<b>KRISHNA TEXPORT AND CAPITAL MARKETS</b>				
	At the beginning of the year	66400	0.75	-	-
	At the End of the year (or on the date of separation, if separated During the year)	--	--	66400	0.75



SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 Shareholders				
<b>5.</b>	<b>VSL SECURITIES PRIVATE LIMITED</b>				
	At the beginning of the year	59307	0.69	--	--
	Date Reason		(0.69)	0.00	0.00
	29.08.2014 Sale	(59307)			
	30.09.2014 Purchase	59307	0.69	59307	0.69
	At the End of the year (or on the date of separation, if separated During the year)	--	--	59307	0.69

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 Shareholders				
<b>6.</b>	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the year	38211	0.43	--	--
	At the End of the year (or on the date of separation, if separated During the year)	--	--	38211	0.43

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 Shareholders				
<b>7.</b>	<b>V NARENDHAR</b>				
	At the beginning of the year	36367	0.41	-	-
	Date Reason	(264)	0.00	36103	0.42
	02.05.2014 Sale				
	29.08.2014 Sale	(36103)	(0.42)	0.00	0.00
	30.09.2014 Purchase	36103	0.42	36103	0.42
	17.10.2014 Sale	(1000)	(0.01)	35103	0.41
	21.11.2014 Sale	(3806)	(0.04)	31297	0.37
	At the End of the year (or on the date of separation, if separated During the year)	--	--	31297	0.37



SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 Shareholders				
<b>8.</b>	<b>KERSASP JAMSHEDJI KOLAH</b>				
	At the beginning of the year	23900	0.27	--	--
	At the End of the year (or on the date of separation, if separated During the year)	--	--	23900	0.27

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 Shareholders				
<b>9.</b>	<b>MEHROO KERSASP KOLAH</b>				
	At the beginning of the year	23000	0.26	--	--
	At the End of the year (or on the date of separation, if separated During the year)	--	--	23000	0.26

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company
	For Each of the top 10 Shareholders				
<b>10.</b>	<b>KAMAL KUMAR GOYAL</b>				
	At the beginning of the year	21615	0.24	--	--
	At the End of the year (or on the date of separation, if separated During the year)	--	--	21615	0.24

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Particulars	Shareholding at the beginning of year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)		Increase/ Decrease in Shareholding
		No. of shares	% of total shares of the company	No. of shares	% of Total shares of the company	
	Name & Designation					
1.	Rajiv Arora, Chairman-cum-Managing Director	2215150	26.32	2215150	26.32	Nil
2.	Ritesh Arora, Executive Director & CFO	4339309	5.14	4339309	5.14	Nil



**(VI) INDEBTEDNESS**

**Indebtedness of the Company including interest/outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	3,83,74,092	Nil	Nil	3,83,74,092
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>3,83,74,092</b>	<b>Nil</b>	<b>Nil</b>	<b>3,83,74,092</b>
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	96,25,550	Nil	Nil	96,25,550
<b>Net Change</b>	<b>(96,25,550)</b>	<b>Nil</b>	<b>Nil</b>	<b>(96,25,550)</b>
Indebtedness at the end of the financial year				
I) Principal Amount	2,87,48,542	Nil	Nil	2,87,48,542
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>2,87,48,542</b>	<b>Nil</b>	<b>Nil</b>	<b>2,87,48,542</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Rajiv Arora Chairman-cum- Managing Director	Ritesh Arora Executive Director	
				-
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	14,66,000	7,92,000	22,58,000
2.	Stock Option	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission -as % of profit	N.A.	N.A.	N.A.
5.	Others, please specify	N.A.	N.A.	N.A.
	Total (A)	14,66,000	7,92,000	22,58,000
	Ceiling as per the Act			42,00,000



**B. Remuneration to other directors.**

SN	Particulars of Remuneration	Name of Director			Total Amount
		Raj Kumar Sood	Raghu Nath Nayyar	Kamal Khanna	
1.	Independent Directors				
	• Fee for attending board/Committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, Please specify	-	-	-	-
	Total (1)				
	Other Non Executive Directors				
	• Fee for attending board/Committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, Please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)+(1)+(2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		COMPANY SECRETARY	CFO	TOTAL
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,65,000	7,92,000	9,57,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	1,65,000	7,92,000	9,57,000

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:-**

Type	Section of the Companies Act,	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made, if any (give) Details)
<b>A. COMPANY</b>					
Penalty	Nii	Nii	Nii	Nii	Nii
Punishment	Nii	Nii	Nii	Nii	Nii
Compounding	Nii	Nii	Nii	Nii	Nii
<b>B. DIRECTORS</b>					
Penalty	Nii	Nii	Nii	Nii	Nii
Punishment	Nii	Nii	Nii	Nii	Nii
Compounding	Nii	Nii	Nii	Nii	Nii
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nii	Nii	Nii	Nii	Nii
Punishment	Nii	Nii	Nii	Nii	Nii
Compounding	Nii	Nii	Nii	Nii	Nii



**Annexure-VI**  
**NOMINATION AND REMUNERATION POLICY**  
**RITESH INTERNATIONAL**  
**LIMITED**

(U/s 178 of the Companies  
Act, 2013 and Clause 49 (IV)  
of the Amended Listing  
Agreement)

**1. PREFACE:**

In pursuance of the Ritesh International Limited ("RIL") policy to consider human resources as its invaluable assets, to pay appropriate remuneration to all Directors, Key Managerial Personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the amended Listing Agreement, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 14<sup>th</sup> November, 2014.

In order to align with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board reconstituted and changed the name of "Remuneration Committee" to "Nomination and Remuneration Committee" on 14th August, 2014.

**1. OBJECTIVES:**

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the steel industry.
- c) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- d) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage

**2. DEFINITIONS:**

**(a) Key Managerial Personnel:**

- (i) Managing Director;
- (ii) Company Secretary;
- (iii) Chief Financial Officer; and
- (iv) Such other officer as may be prescribed.

**(b) Senior Management:** Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the Executive Directors including all functional heads.

**3. APPLICABILITY:**

**The Policy is applicable to:**

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

**4. ROLE OF COMMITTEE:**

**The role of the Committee, inter alia, will be the following:**

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board on policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan

**5. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 non-executive directors, out of which half shall be independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**6. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a



member of the Committee but shall not be a Chairman of the Committee.

- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**7. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at such regular intervals as may be required.

**8. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**9. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

**10. VOTING:**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**11. NOMINATION DUTIES:**

**The duties of the Committee in relation to nomination matters include:**

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness.
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the provisions provided under the Companies Act, 2013
- c) Determining the appropriate size, diversity and composition of the Board; Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- d) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan.
- e) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.

- f) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

- g) Due to reasons for any disqualification mentioned in the Companies Act, 2013 read with rules made there under, recommending, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

- h) Delegating any of its powers to one or more of its members of the Committee.

- l) Recommend any necessary changes in this policy to the Board.

- j) Considering any other matters as may be required by the Board.

**12. REMUNERATION DUTIES:**

**The duties of the Committee in relation to remuneration matters include:**

- a) to consider and determine the remuneration based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.

- b) to approve the remuneration of the Senior Management including key managerial personnel of the Company.

- c) to delegate any of its powers to one or more of its members of the Committee.

- d) to consider any other matters as may be required by the Board;

**13. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

**14. EFFECTIVE DATE & AMENDMENTS:**

This policy will be effective from 14<sup>th</sup> November, 2014 and may be amended subject to the approval of Board of Directors.



**Annexure-VII**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH,  
2015**

***[Pursuant to section 204(1) of the Companies Act,  
2013 and rule No.9 of the Companies (Appointment  
and Remuneration Personnel) Rules, 2014]***

To

The Members

Ritesh International Limited,

356, Industrial Area- A,

Ludhiana-141003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ritesh International Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

(l) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; N.A. during the audit period.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; N.A. during the audit period
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- N.A. during the audit period;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- N.A. during the audit period;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- N.A. during the audit period; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- N.A. during the audit period;
- (vi) We have relied on the representation made by the





Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified during the audit period hence not applicable on Company).
- (ii) The Listing Agreements entered into by the Company with Ludhiana Stock Exchange, Delhi Stock Exchange and Bombay Stock Exchange.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has made the following decisions which are having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

- Company altered its Articles of Association by passing special resolution in their annual general meeting held on 27/09/2014

**Place : Ludhiana**

**For B.K. Gupta & Associates**

**Date: 14.08.2015**

**Company Secretaries**

sd/-

**(Bhupesh Gupta)**

**Partner**

**FCS No.:4590**

**C P No.: 5708**

- Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD**

**List of Labour Laws**

Factories Act, 1948

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employee's State Insurance Act 1948

The Payment of Bonus Act, 1972

The Employee Provident Fund and Miscellaneous provision Act, 1952

**List of Environmental Laws**

Environment (Protection) Act, 1986

Water (Prevention and Control of Pollution) Act, 1974

Air (Prevention and Control of Pollution) Act, 1981

Hazardous Waste (Management, Handling and

Transboundary Movements) Rules, 2008



**Annexure:-A**

To  
The Members  
Ritesh International Limited,  
356, Industrial Area- A,  
Ludhiana-141003

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Ludhiana**  
**Date: 14.08.2015**

**For B.K. Gupta & Associates**  
**Company Secretaries**

**sd/-**  
**(Bhupesh Gupta)**  
**Partner**  
**FCS No.:4590**  
**C P No.: 5708**



## 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 decrease the custom duty on imported raw material, which is mainly oil. Therefore cost of imported raw material shall be less as compared to raw material procured indigenously. Demand and market acceptance of our product is very good and in future also management is optimistic about the prospects of the company.

#### RISK AND MANAGEMENT PERCEPTION

The operations of your company are subject to general business risks and competition in the industry, which can affect 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. 2921.97 Lacs and incurred a loss of Rs.561.73 lacs during the year under review.

### MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATION FRONT, INCLUDING NO. OF PEOPLE EMPLOYED

Industrial relations remained cordial and harmonious during the year under review and there was no working day loss due to any adverse activities.

The company had employed 113 persons as on 31<sup>st</sup> March, 2015.

#### 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**

Place : Ludhiana

Date: 14.08.2015

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

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



## 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 five 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 three non-executive Directors. The Company is having an executive Chairman and majority of Directors on the Board are independent. The details of the composition of the Board, number of Directorships & Committee positions held by each of the Directors are given hereunder::

Name	Designation	Category	No. of Directorships held #	No. of Board Committee Memberships held @	No. of Board Committee Chairmanships held @
Sh Rajiv Arora	Chairman-cum- Managing Director	Promoter	3	4	1
Sh. Ritesh Arora	Executive Director	Promoter	1	1	-
Sh. Raghu Nath Nayyar	Director	Independent	3	4	3
Sh. R. K. Sood	Director	Independent	1	1	-
Smt. Kamal Khanna	Director	Independent	1	1	-

# including Ritesh International Limited @ Board Committee for this purpose includes Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee (including Board Committees of Ritesh International Limited).

Independent Director means a non-executive Director, other than Nominee Director of the Company.

None of the Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees as required under Clause 49 of the Listing Agreement.

#### b) Number of Board Meetings

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

Date of Board Meeting	Board Strength	Number of Directors present
April 18, 2014	4	4
May 30, 2014	4	4
August 14, 2014	5	5
November 8, 2014	5	5
November 14, 2014	5	5
February 14, 2015	6	5

#### c) Directors Attendance Record and Directorship held

The following table gives details of the Directors' Attendance Record at the Board Meetings:



Name of the Director	Number of Board Meetings	
	Held	Attended
Sh. Rajiv Arora	6	6
Sh. Raghu Nath Nayyar	6	6
Sh. R.K. Sood	6	6
Sh. Ritesh Arora	6	6
Smt. Kamal Khanna*	4	4

\* Smt. Kamal Khanna was appointed w.e.f. 30/05/2014

Sh. Rajiv Arora, Chairman-cum-Managing Director & Member, Sh. Ritesh Arora, Executive Director & Member, Sh. Raj Kumar Sood, Sh. Raghu Nath Nayyar & Smt. Kamal Khanna Directors were present at the Annual General Meeting of the Company held on **Saturday, 27<sup>th</sup> September, 2014** at 356 Industrial Area-A, Ludhiana-141003.

**c) Materially significant related party transactions**

Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under paragraph no. 36 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2015.

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.

**d) 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 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 Stakeholder Relationship Committee and Nomination & 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

1. Sh. Raghu Nath Nayyar - Chairman
2. Sh. Rajiv Arora - Member
3. Sh. R. K. Sood - Member

The committee met Six times during the last year on 18<sup>th</sup> April 2014, 15<sup>th</sup> May 2014, 30<sup>th</sup> May 2014, 14<sup>th</sup> August 2014, 14<sup>th</sup> November 2014 and 14<sup>th</sup> February 2015 the details of which are as under:

Director	Number of Meetings	
	Held	Attended
Sh. Raghu Nath Nayyar	6	6
Sh. Rajiv Arora	6	6
Sh. R.K. Sood	6	6

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

**STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee consists of three directors i.e

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

The details of the meetings are as under:

Director	Number of Meetings	
	Held	Attended
Sh. Raghu Nath Nayyar	13	13
Sh. Rajiv Arora	13	13
Sh. R. K. Sood	13	13

No sitting fee was paid during the year for attending meetings of Stakeholder Relationship Committee and Nomination & Remuneration Committee.

No investor grievance was pending as on March 31, 2015.

**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

1. Sh. Rajiv Arora being eligible offers himself for Re-appointment.
2. Sh. Rajiv Arora is re-appointed as chairman-cum-managing Director w.e.f. 01/08/2015 for the term of five years.

#### 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 nos. are 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
2013-2014	356, Industrial Area 'A' Ludhiana-141003	27th September, 2014 at 11:00 a.m.
2012-2013	356, Industrial Area 'A' Ludhiana-141003	28th September 2013 at 11:00 a.m.
2011-2012	356, Industrial Area 'A' Ludhiana-141003	22nd September 2012 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) 33<sup>rd</sup> Annual General Meeting

Date & Time 26<sup>th</sup> day of September, 2015 at 11.00 a.m.

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

Financial Year 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015

#### b) Financial Calendar 2015-16 (Tentative)

First Quarter Results August, 2015  
Second Quarter Results November, 2015  
Third Quarter Results February, 2016  
Annual Results May, 2016

#### c) Date of Book Closure:

24<sup>th</sup> day of September, 2015 to 26<sup>th</sup> day of September, 2015 (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.

#### 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, 2014	4.63	3.72	105	22,939.31	22,197.51
May, 2014	5.29	3.80	225	25,375.63	22,277.04
June, 2014	5.10	4.49	188	25,725.12	24,270.20
July, 2014	4.98	4.50	80	26,300.17	24,892.00
August, 2014	5.33	4.31	55	26,674.38	25,232.82
September, 2014	5.00	4.26	122	27,354.99	26,220.49
October, 2014	5.00	4.15	53	27,894.32	25,910.70
November, 2014	5.10	3.81	93	28,822.37	27,739.56
December, 2014	5.24	4.01	34	28,809.64	26,469.42
January, 2015	4.30	3.94	53	29,844.16	26,776.12
February, 2015	4.72	3.98	60	29,560.32	28,044.49
March, 2015	4.52	3.90	32	30,024.74	27,248.45

Source : [www.bseindia.com](http://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 71,010 shares were transferred in demat form 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>, 2015 is as under:

#### i) Shareholding Pattern:

Shareholding pattern in **Ritesh International Limited** as on March 31, 2015 and March 31, 2014 for the purpose of reporting in the Annual Report of the Company for the year 2014-15 is given as under:

Category	As On 31.03.2015		As On 31.03.2014	
	No. of Equity Shares	%	No. of Equity Shares	%
Promoter & Promoter Group	<b>41,96,615</b>	<b>49.07</b>	<b>40,72,379</b>	47.61
Mutual Funds/ Financial Institutions/ Banks	<b>5,700</b>	<b>0.07</b>	5,700	0.07
Body Corporate	<b>5,97,710</b>	<b>6.99</b>	5,93,420	6.94
NRIs	<b>1,54,925</b>	<b>1.81</b>	159,475	1.86
Others	<b>35,97,872</b>	<b>42.06</b>	37,21,848	43.52

#### ii) Distribution Schedule:

Shareholding of Nominal value of each share/unit Rs 10	Shareholders		No. of Shares held	
	Number	% age	Numbers	% age
up to 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

67.99% of Equity Shares of the Company are in dematerialized form as on 31<sup>st</sup> March, 2015. 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 2015, 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 Stakeholder Relationship 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 : 30.05.2015

### 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, 2015 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, 2015.

**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 : 14.08.2015





## 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 Ltd ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015 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**

Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Loss and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
- 2) As required by section 143(3) of the Act, we report that:
  - (a) we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of written representations received from the directors, as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Note No. 32 on Notes to the Financial Statements.
    - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

Place: Ludhiana  
Dated 30.05.2015



**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 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 assets register.
- b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. a) As explained to us, the inventory has been physically verified by the management at reasonable intervals.
- b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) (b) In our opinion and according to information and explanation given to us, the company has generally maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
3. a) The company has granted loans to two companies (Previous year two) covered in the register maintained under Section 189 of the Companies Act, 2013.
- b) In the case of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and interest thereon. The loans are repayable on demand.
- (c) There are no overdue amounts of more than rupees one lakh in respect of loans granted to bodies corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there has an adequate internal control system commensurate with the size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. According to the information and explanation given to us, the company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under would apply.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by The Central Government under section 148 (1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or not.
7. In respect of statutory dues:
  - (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Duty of Custom, Duty of Excise, Cess, Sales Tax, Value Added Tax and any other statutory dues applicable to it with the appropriate authorities. No undisputed amounts are payable in respect of such statutory dues which were outstanding as on 31<sup>st</sup> March 2015 for a period of more than six months from the date it became payable.
  - (b) According to the records of the company and the



information given to us, as on date, there are no statutory dues like Income tax, Wealth tax, Service tax, Duty of Custom, Duty of Excise, cess and any other statutory dues applicable to it with the appropriate authorities which are in dispute and have not been deposited with the appropriate authorities except the excise duty demand of Rs.6.62 Crores which is pending with the Customs, Excise & Service Tax Appellate Tribunal, New Delhi.

(c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Branch in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.

8. The accumulated losses of the Company are not more than 50% of its net worth. The Company has incurred cash losses of Rs. 247.40 lacs in the financial year under review and earned cash profit of Rs. 133.62 lacs in the previous year.
9. In our opinion and according to the information and explanation given to us, the company has not

defaulted in repayment of dues to a financial institution or banks.

10. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
11. The company has not obtained any term loan during the year, so this para of the order is not applicable.
12. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Place:Ludhiana  
Dated 30.05.2015

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



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

(Amount in Rupees)

PARTICULARS	NOTES	31.03.2015	31.03.2014
<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) Reserves & Surplus	3	31,270,853.94	87,430,236.16
		<b>116,799,073.94</b>	<b>172,958,456.16</b>
<b>B) Non Current Liabilities</b>			
(a) Long term Borrowings	4	10,090,748.00	12,159,719.00
		<b>10,090,748.00</b>	<b>12,159,719.00</b>
<b>C) Current Liabilities</b>			
(a) Short term Borrowings	5	18,657,794.71	26,214,373.27
(b) Trade Payables	6	4,207,269.97	6,725,202.99
(c) Other Current Liabilities	7	2,690,536.00	5,734,207.00
(d) Short term provisions	8	1,265,999.00	1,079,259.00
		<b>26,821,599.68</b>	<b>39,753,042.26</b>
		<b>153,711,421.62</b>	<b>224,871,217.42</b>
<b>II. ASSETS</b>			
<b>A) Non-Current Assets</b>			
(a) Fixed Assets			
i) Tangible Assets	9	59,900,159.86	102,755,391.44
(b) Non Current Investments	10	234,390.00	162,000.00
(c) Long term Loans & Advances	11	41,947,690.46	48,628,254.46
		<b>102,082,240.32</b>	<b>151,545,645.90</b>
<b>(B) Current assets</b>			
(a) Current Investments	12	6,558,501.83	5,434,532.71
(b) Inventories	13	23,460,701.48	41,569,296.45
(c) Trade Receivables	14	15,053,437.96	15,602,896.96
(d) Cash and cash equivalents	15	937,443.91	3,526,347.49
(e) Short-term loans and advances	16	5,619,096.12	7,192,497.91
		<b>51,629,181.30</b>	<b>73,325,571.52</b>
		<b>153,711,421.62</b>	<b>224,871,217.42</b>

**Significant Accounting Policies and  
Notes to Accounts** 1 to 40

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

**For and on behalf of the Board**

For **Ashok Shashi & Co.**  
(FRNo.013258N)

Chartered Accountants

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

sd/-  
**(Rajiv Arora)**  
DIN: 00079838  
Chairman-cum-  
Mg. Director

sd/-  
**(Ritesh Arora)**  
DIN: 00080156  
Executive Director

sd/-  
**(Neha Bedi)**  
ACS 30546  
Company Secretary

Place: Ludhiana  
Date : 30.05.2015



**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

PARTICULARS	NOTES	31.03.2015	31.03.2014
<b>INCOME</b>			
Revenue from Operations	17	288,147,931.57	2,44,128,303.32
Other Income	18	4,048,934.50	6,637,385.69
<b>Total Revenue</b>		<b>292,196,866.07</b>	<b>250,765,689.01</b>
<b>EXPENSES</b>			
Cost of material consumed	19	229,874,273.06	166,164,566.76
Changes in Inventories of finished goods & work in progress	20	(3,304,240.75)	(5,521,890.50)
Other manufacturing expenses	21	50,737,417.63	51,718,030.54
Employee benefit expenses	22	15,121,696.00	13,390,462.00
Finance charges	23	5,333,445.05	6,443,639.94
Depreciation and amortization expenses	9	3,454,176.58	7,371,942.98
Selling & Other Expenses	24	7,472,909.29	6,587,547.51
Other Expenses	25	4,661,541.65	4,828,600.02
Total Expenses		<b>313,351,218.51</b>	<b>250,982,899.25</b>
<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; TAX</b>		<b>(21,154,352.44)</b>	<b>(217,210.24)</b>
Exceptional Items	26	(131,778.98)	583,265.93
<b>PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>		<b>(21,286,131.42)</b>	<b>366,055.69</b>
Extraordinary Items	27	(34,887,207.14)	5,623,780.70
Profit before Tax		<b>(56,173,338.56)</b>	<b>5,989,836.39</b>
Tax Expenses			
a) Current Tax		-	-
<b>PROFIT FOR THE YEAR</b>		<b>(56,173,338.56)</b>	<b>5,989,836.39</b>
Earning per Share (of Rs. 10/- each)			
(1) Basic & Diluted	28	<b>(6.57)</b>	0.70

**Significant Accounting Policies and Notes to Accounts** 1 to 39

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

**For and on behalf of the Board**

For **Ashok Shashi & Co.**

(FRNo.013258N)

Chartered Accountants

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

sd/-  
**(Rajiv Arora)**  
DIN: 00079838  
Chairman-cum-  
Mg. Director

sd/-  
**(Ritesh Arora)**  
DIN: 00080156  
Executive Director

sd/-  
**(Neha Bedi)**  
ACS 30546  
Company Secretary

Place: Ludhiana  
Date : 30.05.2015



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

(Amount in Rupees)

PARTICULARS	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax & Extra Ordinary items	(56,173,338.56)	5,989,836.39
<b>Adjustments for</b>		
- Depreciation	3,454,176.58	7,371,942.98
- Interest paid on borrowing	5,085,634.00	6,159,589.00
- Profit/Loss on sale of Assets	34,887,207.14	(5,623,780.70)
- Dividend/interest received	3,324,960.00	46,751,977.72
<b>Operating profit before working capital charges</b>	<b>(9,421,360.84)</b>	<b>19,112,293.31</b>
<b>Adjustments for</b>		
- Inventory	18,108,594.97	7,371,942.98
- Receivable	549,459.00	6,159,589.00
- Payable	(12,931,442.58)	(5,623,780.70)
- Loans & Advances (Short Term)	1,573,401.79	7,300,013.18
Cash Generated from operations	(2,121,347.66)	32,234,750.23
Interest paid	(5,085,634.00)	(6,159,589.00)
	(7,206,981.66)	26,075,161.23
Taxes Paid	-	-
<b>Net Cash from operating activities (A)</b>	<b>(7,206,981.66)</b>	<b>26,075,161.23</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0.02	(5,184,570.96)
Sale of Fixed Assets	6,727,149.00	7,916,719.01
Purchase/Sale of Investment	(1,196,359.12)	(587,669.85)
Loans & Advances (Long Term)	6,680,564.00	17,363,904.00
Interest/Dividend Received	(3,324,960.00)	8,886,393.90
<b>Net cash used in investing activities (B)</b>	<b>8,886,393.90</b>	<b>14,293,676.56</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing (Net)	(2,068,971.00)	(3,776,909.87)
Net cash from financing activities ©	(2,068,971.00)	(3,776,909.87)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		
Cash equivalents (A+B+C)	(389,558.76)	36,591,927.92
Cash and Cash equivalents(Opening Balance)	3,526,347.49	8,151,629.36
Cash and Cash equivalents(Closing Balance)	3,136,788.73	44,743,557.28

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

**For and on behalf of the Board**

For **Ashok Shashi & Co.**  
(FRNo.013258N)

Chartered Accountants

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

sd/-  
**(Rajiv Arora)**  
DIN: 00079838  
Chairman-cum-  
Mg. Director

sd/-  
**(Ritesh Arora)**  
DIN: 00080156  
Executive Director

sd/-  
**(Neha Bedi)**  
ACS 30546  
Company Secretary

Place: Ludhiana  
Date : 30.05.2015

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****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.

Income/Loss against Commodity dealing/Future trading of Shares is recognized at the closing point of the contract.

Profit/loss on dealing in 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.

Dividends from investments in shares are recognized in the statement of profit and loss at the time of receipt.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

**e) Depreciation**

Consequent to the enactment of Companies Act, 2013(the act), the company has computed depreciation with reference to the estimated economic lives of the fixed assets prescribed by the schedule II to the act. Previously, depreciation was 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 that are readily realizable are classified as current investments. All other investments are classified

as long-term investments. Long-term investments and Current Investments are carried at cost plus incidental expenses, if any. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss

Profit or loss on sale of investments is determined on the basis of actual carrying amount of investment disposed of.

**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. 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, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014			
<b>2. SHARE CAPITAL ACCOUNT</b>						
	Authorized					
	10000000 Equity Shares of Rs.10/- each	<b>100,000,000.00</b>	100,000,000.00			
	Issued					
	8830000 Equity Shares of Rs.10/- each	<b>88,300,000.00</b>	88,300,000.00			
	Subscribed & Paid up					
	8552822 Equity Shares of Rs.10/- each	<b>85,528,220.00</b>	85,528,220.00			
	<b>TOTAL</b>	<b>85,528,220.00</b>	85,528,220.00			
<b>Notes:</b>						
i)	<b>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.</b>					
ii)	<b>Detail of shares held by each shareholder holding more than 5% Shares</b>					
	<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>% holding</b>	<b>No. of Shares</b>	<b>% holding</b>
	1.	Sh. Rajiv Arora	2251510	26.32	2251510	26.32
	2.	Rajiv Arora (HUF)	726799	8.50	602563	7.05
	3.	Ritesh Arora	439309	5.14	439309	5.14
<b>3. RESERVES &amp; SURPLUS</b>						
a)	<b>Capital Subsidy</b>					
		Opening Balance	<b>1,500,000.00</b>			1,500,000.00
		Less: Transfer to capital Reserve	<b>1,500,000.00</b>			-
		Closing Balance	-			1,500,000.00
b)	<b>Capital Reserve</b>					
		Opening Balance	<b>37,193,789.07</b>			37,193,789.07
		Add: Transfer from CapitalSubsidy	<b>1,500,000.00</b>			-
		Add: Transfer from forfeited Share Reserve	<b>3,188,720.00</b>			-
		Closing Balance	<b>41,882,509.07</b>			37,193,789.07
c)	<b>Forfeited Share Reserve</b>					
		Opening Balance	<b>3,188,720.00</b>			3,188,720.00
		Less - Transfer to Capital Reserve	<b>3,188,720.00</b>			-
		Closing Balance	-			3,188,720.00
d)	<b>Securities Premium Reserve</b>					
		Opening Balance	<b>46,208,220.00</b>			46,208,220.00
		Additions during the year	-			-
		Closing Balance	<b>46,208,220.00</b>			46,208,220.00
e)	<b>General Reserve</b>					
		Opening Balance	<b>62,500,000.00</b>			62,500,000.00
		Add: Transfer from Investment Allowance Reserve (Utilised)	<b>6,524,950.04</b>			-
		Less: Transfer to profit & Loss Account	<b>(60,000,000.00)</b>			-
		Closing Balance	<b>9,024,950.04</b>			62,500,000.00
f)	<b>Revaluation Reserve</b>					
		Opening Balance	<b>10,000,000.00</b>			10,000,000.00
		Additions during the year	-			-
		Closing Balance	<b>10,000,000.00</b>			10,000,000.00
g)	<b>Investment Allowance Reserve (Utilised)</b>					
		Opening Balance	<b>6,524,950.04</b>			6,524,950.04
		Less: Transfer to general Reserve	<b>6,524,950.04</b>			-
		Closing Balance	-			6,524,950.04



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
<b>h)</b>	<b>Profit &amp; Loss Account</b>		
	Opening Balance	(79,685,442.96)	(85,675,279.35)
	Add: Adjustment of Depreciation on SLM Basis	229,896.34	-
	Income tax earlier Years	(215,940.00)	
	Add: Transfer from general Reserve	60,000,000.00	
	Additions during the year	(56,173,338.56)	5,989,836.39
	Closing Balance	(75,844,825.18)	(79,685,442.96)
	<b>TOTAL</b>	<b>31,270,853.94</b>	<b>87,430,236.16</b>
<b>4.</b>	<b>LONG TERM BORROWINGS</b>		
	Secured #		
a)	From Bank\$	10,090,748.00	12,159,719.00
b)	From Others#	-	-
	<b>TOTAL</b>	<b>10,090,748.00</b>	<b>12,159,719.00</b>
	\$ Secured against the Hypothecation of Plant & Machinery		
	# Secured against the Hypothecation of the vehicles		
<b>5.</b>	<b>SHORT TERM BORROWINGS</b>		
a)	Loans Repayable on Demand- Secured		
	From Banks	18,657,794.71	26,214,373.27
	<b>TOTAL</b>	<b>18,657,794.71</b>	<b>26,214,373.27</b>
	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.		
<b>6.</b>	<b>TRADE PAYABLE</b>		
a)	Trade Payable	4,207,269.97	6,725,202.99
	<b>TOTAL</b>	<b>4,207,269.97</b>	<b>6,725,202.99</b>
	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>7.</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advances from Customers	57,146.00	6,22,001.00
	Statutory Dues	239,092.00	345,147.00
	Other Liabilities	2,102,725.00	2,399,199.00
	Cheque Issued but presented later on	291,573.00	2,367,860.00
	<b>TOTAL</b>	<b>2,690,536.00</b>	<b>5,734,207.00</b>
<b>8.</b>	<b>SHORT TERM PROVISIONS</b>		
(a)	Provision for employee benefits	1,265,999.00	1,079,259.00
(b)	Others	-	-
	<b>TOTAL</b>	<b>1,265,999.00</b>	<b>1,079,259.00</b>


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

**NOTE PARTICULARS 31.03.2015 31.03.2014**
**9. TANGIBLE ASSETS**

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1.04.2014	Additions	Sale/ Deductions	As at 31.03.2015	Upto 1.04.2014	Adjustment of Dep on SLM Basis	For the Year	Adjustment/ Deductions	Upto 31.03.2015	As At 31.03.2015	As At 31.03.2014	
Land Freehold	6,123,000.00	-	-	6,123,000.00	-	-	-	-	-	6,123,000.00	6,123,000.00	
Building	22,723,545.65	-	-	22,723,545.65	13,268,417.48	13,268,417.48	428,215.24	-	13,750,632.72114	8,972,912.3	9,455,128.17	
Plant & Machinery	182,547,527.62	1,811,716.80	128,181,484.50	56,177,759.92	98,699,155.42	98,699,155.42	2,105,777.12	86,567,128.36	109,196.01	42,068,563.91	83,848,372.20	
Furniture & Fixture	1,398,803.73	85,188.00	-	1,483,991.73	870,507.56	870,507.56	109,530.74	-	912,502.89	571,488.84	528,296.17	
Vehicles	5,367,922.40	86,500.00	-	5,454,422.40	2,567,327.48	2,567,327.48	756,653.48	-	3,290,228.20	2,164,194.20	2,800,594.92	
<b>TOTAL</b>	<b>218,160,799.40</b>	<b>1,983,404.80</b>	<b>128,181,484.50</b>	<b>91,962,719.70</b>	<b>115,405,407.94</b>	<b>115,405,407.94</b>	<b>3,454,176.59</b>	<b>86,567,128.36</b>	<b>32,062,559.82</b>	<b>59,900,159.86</b>	<b>102,755,391.46</b>	
Previous Year	215,852,608.42	5,184,570.98	2,876,380.00	218,160,799.40	108,616,906.66	108,616,906.66	7,371,942.98	583,441.69	115,405,407.94	102,755,391.44		

**10. NON CURRENT INVESTMENTS  
UN QUOTED**

40000 Equity Shares of Rs. 10/- of Pantagon Finance Ltd.	<b>162,000.00</b>	162,000.00
7239(P.Y Nil) Equity Shares of Rs. 10/- of Kishan Chand & Co. Oil Industries Ltd.	<b>72,390.00</b>	-
<b>TOTAL</b>	<b>234,390.00</b>	<b>162,000.00</b>

**11. LONG TERM LOANS & ADVANCES**

Security Deposits, considered Good	<b>2,728,982.40</b>	2,055,818.40
Other Loans & Advances, Considered Good	<b>39,218,708.06</b>	46,572,436.06
<b>TOTAL</b>	<b>41,947,690.46</b>	<b>48,628,254.46</b>

**12. CURRENT INVESTMENTS**
**Trade Investments**
**Quoted**

NIL(P.Y 414) Equity Shares of Aurobindo Pharma Ltd.	-	81,379.65
900(P.Y Nil)Equity Shares of Tata Global Beverages Ltd.	<b>153,841.20</b>	-
Nil (P.Y1200) Equity Shares of Fortis Healthcare Ltd.	-	198,337.99
Nil (P.Y468) Equity Shares of Gati Corporation Ltd.	-	19,142.36
Nil (P.Y3636) Equity Shares of GMR Infra Ltd.	-	123,806.30
Nil (P.Y36828) Equity Shares of Himachal Futuristic Ltd.	-	467,228.46
3109 (P.Y Nil) Equity Shares of Pifzer Ltd	<b>4,147,175.07</b>	-
36 (P.Y720) Equity Shares of Claris Life Science Ltd.	<b>6,458.78</b>	129,175.54
100 Equity Shares of Rs. 10/- each of Indian Overages bank	<b>2,400.00</b>	2,400.00

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
	396747 (P.Y 51952) Equity Shares of Kingfisher Airlines Ltd.	<b>2,191,543.60</b>	1,066,892.55
	Nil(P.Y11842)Equity Shares of PTC India Ltd.	-	170,783.01
	Nil(P.Y 1080) Equity Shares of Spice Jet Ltd	-	20,629.60
	Nil(P.Y 600) Equity Shares of TVS Motor Co. Ltd.	-	28,117.22
	4320(P.Y. 720) Equity Shares of Rattan India Power Ltd (Previously India Bull Power Ltd.)	<b>57,083.18</b>	6,365.18
	Nil(P.Y. 97) Equity Shares of Ingersoll Rand India Ltd	-	37,771.19
	Nil(P.Y 3176) Equity Shares of Rs.10/- each of Wyeth Ltd.	-	2,720,599.07
	Nil(P.Y 708) Equity Shares of Zydus Wellness Ltd.	-	361,904.59
	<b>TOTAL</b>	<b>6,558,501.83</b>	<b>5,434,532.71</b>
	<b>Market Value of Quoted Investments</b>	<b>7,767,484.76</b>	<b>5,089,020.71</b>
13.	<b>Inventories</b> (As taken, valued & certify by the management)		
	Raw Material	<b>1,481,425.95</b>	19,656,877.14
	Work in Progress	<b>133,750.00</b>	2,167,825.00
	Finished Goods	<b>18,779,830.25</b>	13,441,514.50
	Stores & Spares	<b>3,065,695.28</b>	6,303,079.81
	<b>TOTAL</b>	<b>23,460,701.48</b>	<b>41,569,296.45</b>
14.	<b>Trade Receivables(Unsecured, Considered Good)</b>		
	Outstanding for a period exceeding 6 months	<b>1,576,628.96</b>	1,747,909.96
	Others	<b>13,476,809.00</b>	13,854,987.00
	<b>TOTAL</b>	<b>15,053,437.96</b>	<b>15,602,896.96</b>
15.	<b>Cash &amp; Cash Equivalent</b>		
	Cash Balance in Hand	<b>212,411.97</b>	574,746.97
	Balance with Bank in Current Account	<b>725,031.94</b>	1,572,304.52
	Cheque Deposited but passed later on	-	1,379,296.00
	<b>TOTAL</b>	<b>937,443.91</b>	<b>3,526,347.49</b>
16.	<b>Short-Term Loans and Advances (Unsecured, considered good)</b>		
	Taxes paid in advance	<b>1,200,465.41</b>	891,921.41
	Advance Excise Duty	<b>399,405.00</b>	903,554.00
	Advances to suppliers	<b>368,520.87</b>	2,459,958.22
	Advances to Staff	<b>55,120.00</b>	56,000.00
	Other Loans & Advances	<b>3,595,584.84</b>	2,881,064.28
	<b>TOTAL</b>	<b>5,619,096.12</b>	<b>7,192,497.91</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

NOTE	PARTICULARS	31.03.2015	31.03.2014
<b>17</b>	<b>Revenue from Operations</b>		
i)	Sale of Products	<b>306,591,747.00</b>	251,673,668.00
	Stearic Acids & Other non edible Oils		
ii)	Other Operating Income	<b>16,087,017.57</b>	20,097,561.32
	Sale of Garments etc.		
		<b>322,678,764.57</b>	271,771,229.32
	Less: Excise Duty	<b>34,530,833.00</b>	27,642,926.00
	<b>TOTAL</b>	<b>288,147,931.57</b>	244,128,303.32
<b>18.</b>	<b>Other Income</b>		
	Interest Income	<b>3,294,972.00</b>	4,722,280.04
	Dividend Income	<b>29,988.00</b>	492,425.60
	Profit against Settlement	-	875,000.00
	Profit on Sale of Shares	<b>595,524.76</b>	-
	Previous Year income	<b>128,384.00</b>	493,360.00
	Balances written back	-	49,954.05
	Misc Income	<b>65.74</b>	4,366.00
	<b>TOTAL</b>	<b>4,048,934.50</b>	6,637,385.69
<b>19.</b>	<b>Cost of Material Consumed</b>		
	Opening Stock		
	- Raw Material	<b>19,656,877.14</b>	4,895,365.72
	Add: Purchases		
i)	Non Edible Oils	<b>205,616,950.20</b>	166,447,262.15
ii)	Others	<b>6,081,871.67</b>	14,478,816.03
		<b>231,355,699.01</b>	185,821,443.90
	Closing Stock		
	- Raw Material	<b>1,481,425.95</b>	19,656,877.14
	<b>Net Consumption</b>	<b>229,874,273.06</b>	166,164,566.76
<b>20.</b>	<b>Change in Inventories</b>		
a)	Opening Stock of		
	- Finished Goods	<b>13,441,514.50</b>	9,141,586.00
	- Work in Progress	<b>2,167,825.00</b>	945,863.00
		<b>15,609,339.50</b>	10,087,449.00
b)	Closing Stock of		
	- Finished Goods	<b>18,779,830.25</b>	13,441,514.50
	- Work in Progress	<b>133,750.00</b>	2,167,825.00
		<b>18,913,580.25</b>	15,609,339.50
	<b>(Increase)/Decrease in Inventories</b>	<b>(3,304,240.75)</b>	(5,521,890.50)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

PARTICULARS	31.03.2015	31.03.2014
<b>21. Other Manufacturing Expenses</b>		
Chemicals	12,784,634.13	10,396,764.61
Power & Fuel	34,112,271.65	38,376,775.23
Repair and maintenance#	1,423,092.00	1,521,515.60
Other Expenses	2,417,419.85	1,422,975.10
<b>TOTAL</b>	<b>50,737,417.63</b>	<b>51,718,030.54</b>
# Repair and maintenance		
Machinery Repair	1,107,871.00	1,223,291.60
Electric Repair	52,092.00	19,455.00
General Repair	13,049.00	-
Building Repair	250,080.00	278,769.00
	<b>1,423,092.00</b>	<b>1,521,515.60</b>
<b>22. Employee Benefits Expenses</b>		
Salaries & Wages#	12,810,612.00	11,475,806.00
Contribution to Provident & Other Funds	1,098,021.00	986,761.00
Other Benefits to Staff & Workers	1,141,684.00	901,390.00
Staff Welfare Expenses	71,379.00	26,505.00
<b>TOTAL</b>	<b>15,121,696.00</b>	<b>13,390,462.00</b>
<b>#Includes Directors Remuneration Rs. 22,58,000/- Previous Year Rs. 19,67,000/-</b>		
<b>23. Finance Charges</b>		
Interest #	5,085,634.00	6,159,589.00
Hire Purchase Charges	-	32,276.56
Bank & Other Charges	247,811.05	251,774.38
<b>TOTAL</b>	<b>5,333,445.05</b>	<b>6,443,639.94</b>
<b>#Includes Interest on Term Loan Rs.15,99,029/- Previous year : 19,38,327/-</b>		
<b>24. Selling &amp; Other Expenses</b>		
Advertisement	168,115.00	172,629.00
Brokerage & Commission	2,219,995.11	1,576,691.00
Freight Expenses	3,333,175.00	3,192,173.00
Consignment Expenses	-	15,981.00
Packing Expenses	1,437,664.52	1,414,791.70
Selling Expenses	313,959.66	215,281.81
<b>TOTAL</b>	<b>7,472,909.29</b>	<b>6,587,547.51</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015** (Amount in Rupees)

PARTICULARS	31.03.2015	31.03.2014
<b>26. Other Expenses</b>		
Electric Expenses	360,670.00	334,479.00
Fees & Taxes	320,892.00	681,915.00
Insurance Expenses	265,386.44	237,542.00
Legal & Professional Charges	718,191.00	712,114.00
Vehicle Expenses	245,590.00	128,257.00
Postage & telephone Expenses	489,327.00	282,229.00
Rent	1,020,000.00	586,000.00
Service Charges	302,240.00	445,423.00
Travelling and Conveyance Expenses#	125,670.00	437,007.00
Charity & Donation	420,000.00	396,500.00
Previous Year Expenses	7,076.72	-
Loss on sale of investments	-	94,518.02
Other Expenses	386,498.49	492,616.00
<b>TOTAL</b>	<b>4,661,541.65</b>	<b>4,828,600.02</b>
<b># Includes Directors Travelling Rs. 4,07,267.00 Previous Year Rs. 2,67,637.20</b>		
<b>26. Exceptional Items</b>		
Profit/loss against commodity/future trading	(131,778.98)	583,265.93
<b>TOTAL</b>	<b>(131,778.98)</b>	<b>583,265.93</b>
<b>27. Extraordinary Items</b>		
Profit/loss on Sale of Fixed Assets	(34,887,207.14)	5,623,780.70
<b>TOTAL</b>	<b>(34,887,207.14)</b>	<b>5,623,780.70</b>
<b>28. Earning Per Share</b>		
a) Net profit/loss after tax	(56,173,338.56)	5,989,836.39
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	(6.57)	0.70





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Sr. No.	Name of Company/ Firm/Individual	Nature of Transaction	2014-15 (Rs.)	DR/ CR	2013-14 (Rs.)	DR/ CR
1.	Sh. Rajiv Arora, KMP	Loan Received	86,38,700.00	CR	20,087,952.00	CR
		Loan Repaid	89,42,833.00	DR	20,442,552.00	DR
		Director's Salary	14,66,000.00	DR	14,00,000.00	DR
		Rent Paid	8,28,000.00	CR	361,600.00	CR
		TDS Debited	83,800.00	DR	7,000.00	DR
2.	Sh. Ritesh Arora, KMP	Director's Salary	7,92,000.00	DR	5,67,000.00	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	78,650.00	DR	25,000.00	DR
5.	Kishan Chand & Co. Oil Industries Ltd.	Equity Shares	72,390.00	DR	Nil	
		Against Balance				
5.	Ritesh Properties & Industries Limited	Cheque Payment	Nil	CR	16,697,785.00	DR
		Cheque Received	Nil	DR	104,322.50	CR
		Reimbursement of expenses	Nil	DR	100,000.00	DR
		Fixed Assets- Purchase	Nil		515,000.00	CR
		Fixed Assets-Sale			99,000.00	DR

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

Particulars	As at 31.03.2015 (Rs. in Lacs)	As at 31.03.2014 (Rs. in Lacs)
i) Due from Related Parties (Included in Loan & Advance & Sundry Debtors)		
- Associate/Allied Concern	3.26	3.20
ii) Due to Related parties (Included in Current Liabilities & Unsecured Loans)		
- Associate/Allied Concern	Nil	Nil
- Sh. Rajiv Arora, KMP	Nil	Nil

37. Expenditure in Foreign Currency on Traveling – NIL (Previous Year-Rs. 168840/-)

**38. Leases (AS-19) :**

(Amount in Rupees)

Sr. No.	Particulars	31.03.2015	31.03.2014
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;	8,28,000.00	7,68,000.00
	2. later than one year and not later than five year;	5,04,000.00	11,42,000.00
	3. later than five years;	Nil	Nil
b.	Leases payments recognized in the statement of profit and loss for the period, with separate amounts for minimum leases payments.	10,20,000.00	5,86,000.00
c.	A general description of the lessee's significant leasing arrangements	Nil	Nil

39. Consequent to the enactment of the Companies Act, 2013 (the act) and its applicability for the accounting periods after April 1<sup>st</sup>, 2014, the company has computed depreciation with reference to the estimated economic lives of the fixed assets prescribed by the schedule II to the Act. For assets whose life is over, the carrying value, net of residual value, aggregating to Rs. 2.30 lacs as at April 1<sup>st</sup>, 2014 has been adjusted through the retained earnings and in other assets the carrying value as at April 1<sup>st</sup>, 2014 has been depreciated over the remaining of the revised useful life of the assets and recognized in the above financial results. As a result charge of depreciation is lower Rs. 5.58 Lacs for the year ended March 31<sup>st</sup>, 2015 and the net profit from activities before tax is higher by the same amount.

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

Signature to Notes 1 to 40.

As per our Report of even date attached

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

For and on behalf of the Board

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

sd/-  
**(Rajiv Arora)**  
Chairman cum  
DIN: 00079838  
Mg. Director

sd/-  
**(Ritesh Arora)**  
Executive Director  
DIN: 00080156

Place: Ludhiana  
Date : 30.05.2015





**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 33<sup>rd</sup> Annual General Meeting of the Company held on Saturday 26<sup>th</sup> day of September, 2015 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**

----- CUT HERE -----

**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 .....sha res 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 33<sup>rd</sup> AnnualGeneral Meeting of the company, to be held on Saturday, September 26<sup>th</sup>, 2015 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, 2015		
2	To appoint a Director in place of Sh.Rajiv Arora (DIN 00079838 ), who retires by rotation and being eligible, offers himself for re-appointment.		
3	Ratification of Appointment of Statutory Auditor of the Company		
4	Re- Appointment of Sh.Rajiv Arora (DIN 00079838 ) as Chairman-cum-Managing Director, for a term of five years and to fix his remuneration.		

Signature of shareholder : ..... Signed this ..... day of ..... 2015

Affix  
Revenue  
Stamp

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.



Venue of AGM of  
Ritesh International  
Limited

