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## RAGHUNATH TOBACCO COMPANY LIMITED



### Third Annual Report 1996-97



## RAGHUNATH TOBACCO COMPANY LIMITED

### BOARD OF DIRECTORS

Mr. OM PRAKASH AGRAWAL  
*Chairman & Managing Director*

Mr. JAI PRAKASH AGRAWAL  
*Director*

Mr. SRI PRAKASH AGRAWAL  
*Director*

### DGM (LEGAL) & COMPANY SECRETARY

SUSHIL KUMAR GUPTA

### AUDITORS

KUMAR PIYUSH & CO.  
Chartered Accountants  
10, Community Centre No. 2  
Ashok Vihar, Phase-II  
Delhi-110 052

### BANKERS

PUNJAB NATIONAL BANK

### REGISTERED OFFICE & WORKS

Mandhana Bithoor Road,  
Village Chaudharipur,  
Billhore, District Kanpur Dehat-209 203

### HEAD OFFICE

63/2, Citi Centre,  
3rd Floor, Phase-II,  
The Mall, Kanpur-208 004

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## THIRD ANNUAL REPORT

### NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the Members of RAGHUNATH TOBACCO COMPANY LIMITED will be held on Tuesday, the 30th September, 1997 at 10.00 A. M. at the Registered Office of the Company at Mandhana Bithoor Road, Village Chaudharipur, Bilhore, Kanpur Dehat-209 203 to transact the following business.

#### ORDINARY BUSINESS :

1. To consider and adopt Audited Balance Sheet as at 31st March, 1997 and Profit and Loss Account for the period ended on that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Om Prakash Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
RESOLVED THAT Messrs. Kumar Piyush & Co., Chartered Accountants, Delhi, the Statutory Auditors of the Company who retire at this meeting be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company."

#### SPECIAL BUSINESS :

4. 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 17 and other applicable provisions, if any, of the Companies Act, 1956, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered as under :  
The following Sub Clauses 3 and 4 be added/inserted after the existing Clause III (A) 2 :  
  3. To carry on any business or businesses of manufacturers, exporters, importers, commission agents, brokers, middlemen, purchasers, sellers, traders, dealers, stockists, consigners, consignees, suppliers and contractors of all kinds of goods, machineries and equipments, industrial and other preparations and articles and all other goods, produces, articles, commodities or merchandises either in raw, semi-finished or finished condition, of whatsoever kind or nature manufactured, produced, fabricated or mined in India or any where in the world.
  4. To act as representatives, agents, sub-agents, commission agents, brokers, consultants, middlemen of Indian and Foreign Companies, Firms, Persons, States and other Bodies Corporate and to act as sales/purchase representatives, general brokers, and to render services of maintaining equipments and goods supplied by the principals."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :  
"RESOLVED THAT in accordance with the provisions of Section 149 (2A) of the Companies Act, 1956, the Company hereby approves the commencement of all such new businesses as have been incorporated in Sub-clauses 3 and 4 of the Memorandum of Association of the Company as amended."

By Order of the Board

Place : Kanpur  
Date : August 20, 1997

(S. K. GUPTA)  
DGM (Legal) & Company Secretary



## RAGHUNATH TOBACCO COMPANY LIMITED

### NOTES :

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.  
The instrument appointing a proxy and the power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting as provided by Article 113 of the Articles of Association of the Company.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to the Special Business under Item Nos. 4 and 5 as set out above is annexed herewith.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 11.00 A. M. and 1.00 P. M. upto the date of the Annual General Meeting.
4. The Register of Members and the Share Transfer Books shall remain closed from Tuesday, the September 16, 1997 to Tuesday, the September 30, 1997 (both days inclusive).
5. The Company w. e. f. 1st March, 1997, has made inhouse arrangements for Share Transfer work. The Members are, therefore, requested to make all correspondence at the following address :

Raghunath Tobacco Company Limited  
63/2, 3rd Floor, Phase-II, Citi Centre,  
The Mall, Kanpur-208 004

### EXPLANATORY STATEMENT

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

#### ITEM NO. 4

With a view to diversify the business activities of the Company in the Agency and like nature businesses, it is necessary to amend the Main Objects of the Memorandum of Association of the Company in accordance with the provisions of Section 17 of the Companies Act, 1956. As per the provisions of this Section, prior approval of the Members by way of Special Resolution is required. The Board of Directors of the Company recommend the Special Resolution contained at Item No. 4 of the accompanying Notice for your approval.

A copy of the Memorandum of Association of the Company is available for inspection by the Members during business hours.

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

#### ITEM NO. 5

Consequent upon the alteration of the Objects Clause of the Memorandum of Association for the diversification of the business activities of your Company as envisaged in the said Special Resolution under Item No. 4 of the Accompanying Notice, your approval for the proposed Special Resolution under Item No. 5 is necessary pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956 to commence the new business activities as stated therein.

The Board of Directors of the Company recommend the Special Resolution contained at Item No. 5 of the accompanying Notice for your approval.

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

By Order of the Board

Place : Kanpur

(S. K. GUPTA)

Date : August 20, 1997

DGM (Legal) & Company Secretary

## THIRD ANNUAL REPORT

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors present before you their Third Annual Report together with Audited Accounts of the Company for the year ended 31st March, 1997.

#### FINANCIAL RESULTS

During the year under review, the Financial Results of the Company are as under :

	(Rs. in Lacs)
	Period ended 31.3.1997*
Sales and Other Income	51.81
Loss before Interest and Depreciation	38.03
Interest	17.43
Depreciation	29.54
Loss for the Period	85.00
Loss on Sale of Fixed Assets	0.32
Income Tax for 1994-95	0.04
Loss Carried to Balance Sheet	85.36

\* Company has started the commercial production from 17th June, 1996.

#### OPERATIONS

Your Company has launched two types of Cigarettes under the Brand name "CURRENT" namely 69 mm Filtered Cigarettes and 59 mm Non Filtered Cigarettes in some parts of Uttar Pradesh. However, the expected results are yet to come. Your Company is further planning to launch 69 mm Filtered Cigarettes under the Brand Name "PRESTIGE" and "SIR" during the current year. Considering the non availability of profits during the period, the Board recommend for skip of dividend for this year.

#### PROMISES VERSUS PERFORMANCE

The Turnover, PBDIT and PAT for the year is Rs. 51.81 Lacs, Rs. (38.03) Lacs and Rs. (85.00) Lacs respectively as against projected figures of Rs. 1,174.69 Lacs, Rs. 365.04 Lacs and Rs. 174.79 Lacs respectively made in the Prospectus. The Company could not achieve its targets as envisaged in offer documents due to stiff competition in the market and initial teething problems.

#### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached hereto as Annexure 'A' and forms parts of Directors' Report.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review your Company has neither earned nor expended Foreign Exchange.



## RAGHUNATH TOBACCO COMPANY LIMITED

### DIRECTORS

During the Current Year, Mr. Vikas Singhania has resigned from the Directorship of the Company. The Board places on record its appreciation of the valuable services rendered by him during his tenure of Directorship of the Company. Mr. Sri Prakash Agrawal has resigned from the Whole-time Directorship of the Company. However, Mr. Agrawal will continue to be Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Om Prakash Agrawal will retire at the ensuing Annual General Meeting and is eligible for re-appointment as Director of the Company.

### PARTICULARS OF EMPLOYEES

As required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 1988, the particulars are given in Annexure 'B' which is attached hereto and forms a part of the Directors' Report.

### PUBLIC DEPOSITS

Your Company has not accepted any deposit during the year.

### AUDITORS

Your Company's Auditors M/s. Kumar Piyush & Co., Chartered Accountants will retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

### INDUSTRIAL RELATIONS

The Company had cordial and harmonious industrial relations at all levels of the organisation.

### ACKNOWLEDGEMENT

The Directors acknowledge with gratitude the assistance and co-operation received from U. P. Financial Corporation for financing the Project and Company's Bankers, Punjab National Bank for their valued support. Your Directors also acknowledge the recognition given and trust reposed in your Company by the investors, suppliers, employees, customers, various Government Authorities and thank them for their support and co-operation.

For and on behalf of the Board

Place : Kanpur

Dated : August 20, 1997

(OM PRAKASH AGRAWAL)

Chairman

### ANNEXURE 'A' OF THE DIRECTORS' REPORT

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

#### A. CONSERVATION OF ENERGY

The Company's operations involve low energy consumption. There are no major areas where any energy conservation measure can be taken. However, efforts are being made to conserve and optimise the use of energy.

## THIRD ANNUAL REPORT

### B. Form of Disclosure of Particulars with respect to Absorption of Technology, Research and Development :

#### I. Research and Development :

1. *Specific areas in which Research and Development carried out by the Company :*  
In the development of new products, blend and taste in production of Cigarettes.
2. *Benefits derived as a result of the above Research and Development :*  
The Company is improving the quality of Cigarettes under the Brand name "CURRENT"
3. *Future Plan of action*  
The ongoing process of Research and Development will be undertaken in the areas of production quality and development of new products.
4. Expenditure on Research and Development : NIL

#### II. Technology Absorption, Adaptation and Innovation :

The production of Cigarettes does not require any specific technology, absorption, adaptation and innovation except the blending of compound which has already been developed.

For and on behalf of the Board.

Place : Kanpur

(OM PRAKASH AGRAWAL)

Dated : August 20, 1997

Chairman

### ANNEXURE 'B' OF THE DIRECTORS' REPORT

#### STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREIN FOR THE YEAR ENDED 31ST MARCH, 1997.

Sl. No.	Name	Age (Years)	Designation	Qualification	Total Remuneration (Rs.)	Experience (Years)	Date of Joining	Particulars of the last Employment
(A) Employed throughout the Financial year and in receipt of remuneration aggregating not less than Rs. 3,00,000/- per annum.								
1.	Om Prakash Agrawal	40	Managing Director	B.Com.	3,00,000	21	9.11.94	Own Business
2.	Sri Prakash Agrawal	32	Wholetime Director	B.Com.	3,00,000	13	9.11.94	Own Business

(B) Employed for part of the year under review and were in receipt of remuneration for any part of the year at the rate of which in aggregate was not less than Rs. 25,000/- per month. NIL

**NOTE :** Appointment of Mr. Om Prakash Agrawal and Mr. Sri Prakash Agrawal is on contractual basis and are related.

For and on behalf of the Board

Place : Kanpur

(OM PRAKASH AGRAWAL)

Date : August 20, 1997

Chairman