



RTCL LIMITED

Report  Junction.com

For RTCL Limited

Director

Tenth Annual Report
2003-2004



RTCL LIMITED

BOARD OF DIRECTORS

Mr. Om Prakash Agrawal
Chairman

Mr. Sri Prakash Agrawal
Whole-time Director

Mr. Brijesh Katiyar
Whole-time Director

Mr. Shankar Lal Agrawal
Director

Mr. Rajesh Agrawal
Director

Mr. Vishal Saxena
Director

AUDITORS

KUMAR PIYUSH & CO.
Chartered Accountants
C-5, Lajpat Nagar, Phase-III,
New Delhi - 110024

BANKERS

STATE BANK OF INDIA,
M.G. ROAD, KANPUR

REGISTERED OFFICE

Mandhana Bithoor Road,
Village Chaudharipur,
Bithoor, Kanpur - 209 201

HEAD OFFICE

123/778, Fazalganj,
Kanpur (U.P.)

WORKS

Mandhana Bithoor Road,
Village Chaudharipur,
Bithoor, Kanpur - 209 201

SHARE TRANSFER AGENT

Abhipra Capital Limited
BM-1, Dilkhush Commercial Complex, G.T. Karnal Road, Azadpur, Delhi

CONTENTS

Notice	1
Directors' Report	3
Corporate Governance & Shareholder Information	7
Management Discussion and Analysis	16
Auditors' Report	18
Balance Sheet	22
Profit and Loss Account	23
Schedules forming Part of the Balance Sheet and Profit and Loss Account	24
Balance Sheet Abstract and Company's General Business Profile	36
Cash Flow Statement	37
Proxy Form and Attendance Slip	

TENTH ANNUAL REPORT

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of RTCL Limited will be held on Tuesday, the 28th day of September, 2004 at 12:30 P.M. at the Registered Office of the Company situated at Mandhana Bithoor Road, Village Chaudharipur, Bithoor, Kanpur -209 201 to transact the following businesses :

ORDINARY BUSINESS :

1. To consider and adopt Audited Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the year ended on that date and notes thereon together with the Reports of Directors and Auditors.
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, fix their remuneration and for this 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, New Delhi, the Statutory Auditors of the Company who retire at the conclusion of this meeting be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration and reimbursement of all out of pocket expenses in connection with the audit of the Company, as may be fixed and approved by the Audit Committee of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Shanker Lal Agrawal, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269 & 309 read with Schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force, the approval of the members of the Company be and is hereby granted for the appointment of Mr. Sri Prakash Agrawal as Whole-Time Director of the Company w.e.f. October 1st, 2003 for a period of 5 (Five) years on total monthly remuneration of Rs. 25,000/-, which has been approved by the Remuneration Committee at their meeting held on October 1st, 2003, in accordance with the amended provisions of Part II, Section II of Schedule – XIII to the Companies Act, 1956."

By Order of the Board

(O. P. Agrawal)

Director

Place : Delhi

Date : June 28, 2004

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 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.


RTCL LIMITED

2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Businesses under Item No. 4 & 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 14th September, 2004 to Tuesday, the 28th September, 2004 (Both days inclusive) .
5. Members who are holding shares in the Identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.
6. Shareholders, who wish to nominate a person, may furnish us required details in the prescribed Form.

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

ITEM NO. 4

Mr. Shanker Lal Agrawal was appointed as an Additional Director of the Company by the Board w.e.f. May 1st, 2004, who hold the office of Director upto the date of present Annual General Meeting. The Company has received the notice in writing from a member, pursuant to Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Shanker Lal Agrawal for the Directorship of the Company along with requisite deposit.

Considering the above proposal in the interest of the Company, Board recommends the Ordinary Resolution as mentioned at Item No. 4 of the accompanied notice for your approval. None of the Directors, except Mr. Shanker Lal Agrawal is concerned or interested in the said resolution.

ITEM NO. 5

Board of Directors of the Company at their meeting held on October 1st, 2003 has appointed Mr. Sri Prakash Agrawal as Whole-time Director of the Company, for a period of five years w.e.f. October 1st, 2003 on monthly remuneration of Rs. 25,000/-. As per the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, approval of the members of the Company is required for the appointment including variation in terms and conditions of the appointment of Mr. Sri Prakash Agrawal as Whole-time Director of the Company.

The notice may also be considered a notice under section 302 of the Companies Act, 1956 fully containing the terms and conditions of the appointment of Mr. Sri Prakash Agrawal as Whole-time Director of the Company. Mr. Om Prakash Agrawal, Director of the Company, is brother of Mr. Sri Prakash Agrawal and are therefore, related, concerned and interested in the said resolution.

Considering the above proposal in the interest of the Company, Board recommends the Ordinary Resolution as mentioned at Item No. 5 of the accompanied notice for your approval.

Place : Delhi
Date : June 28, 2004

By Order of the Board
(O. P. Agrawal)
Director



TENTH ANNUAL REPORT**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors are presenting before you, their Tenth Annual Report together with the Audited Accounts of the Company for the year ended on March 31, 2004.

FINANCIAL RESULTS

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

(Rs. In Lacs)

Particulars	Year Ended 2003-2004	Year Ended 2002-2003
Sales and Other Income	578.42	430.83
Profit before Interest and Depreciation	80.22	117.66
Finance Charges	7.40	6.11
Depreciation	71.71	58.63
Profit for the Year	1.11	52.92
Less : Extra-ordinary Items	1.99	3.05
Less : Income Tax for earlier years	0.01	4.26
Less : Provision for Income Tax	5.34	3.93
Add : Deferred Tax Assets	(5.27)	(31.73)
Net Profit for the Year	(11.50)	9.95
Profit/(Loss) Brought Forward	(98.47)	(108.41)
Profit/ (Loss) Carried to Balance Sheet	(109.97)	(98.47)

OPERATIONS

The Company achieved the gross turnover of Rs. 578.42 Lacs during the year ended on March 31st, 2004 as against Rs. 430.83 Lacs in the previous year. However, Company has achieved a profit (before tax and extraordinary items) of Rs. 1.11 Lacs as against previous year's figure of Rs. 52.92 Lacs. Company could not achieve better results due to teething problem in its new venture of Retailing through chain of convenience stores.

Your directors expect better Turnover and Profitability during the current year from this new venture.

SUBSIDIARY COMPANY

During the year under review, a subsidiary relationship with Raghunath Builders Limited has come to an end due to disinvestments of its shares by your company. Now your company holds only 48.29% stake in the equity of Raghunath Builders Limited and is out of the purview of applicability of Section 212 of the Companies Act, 1956.

DIRECTORS

During the year under review, Mr. S. K. Gupta has resigned from the Directorship of the Company w.e.f. May 1st, 2004.

Mr. Shanker Lal Agrawal has joined the Board as Additional Director on May 1st, 2004 upto the date of present Annual General Meeting of the Company. Company has received notice from member of the Company, proposing the name of Mr. Shanker Lal Agrawal for the appointment as Rotational 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 by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as the Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, Directors of your Company confirm:





RTCL LIMITED

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed and no material departure have been made from the same;
- (ii) That Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year under review;
- (iii) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That Directors have prepared the annual accounts for the financial year ended on 31st March, 2004 on a 'going concern' basis.

DEMATERIALIZATION OF EQUITY SHARES

NSDL and CDSL have allotted International Security Identification Number (ISIN) INE754B01012 The status of Equity Capital exist in Electronic Form and Physical Form as on March 31st, 2004 is as under :

Particulars	No. of Shares	Percentage
Electronic Mode		
NSDL	6,912,662	57.60
CDSL	85,668	0.71
Total	6,998,330	58.31
Physical Mode	5,002,840	41.69
Grand Total	12,001,170	100.00

CORPORATE GOVERNANCE

The Company has successfully implemented the mandatory provisions of Corporate Governance in accordance with the provisions of Clause 49 of the listing Agreement with Stock Exchange(s). The Board of Directors follows the broad principles of corporate governance. In addition to the basic governance issues, the board lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance is included in the Annual Report and Certificate dated June 28, 2004 of the auditors of your Company confirming the compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is annexed thereto.

PARTICULARS OF EMPLOYEES

During the year under review, Your Company did not have any employee within the purview of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

AUDITORS

Your Company's Auditors M/s. Kumar Piyush & Co. Chartered Accountants, New Delhi, are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The Observation of Auditors in their report read with the relevant notes to accounts in Schedule 'N' annexed to accounts are self explanatory. However, Directors furnish further information/explanations, in connection with the following points, as under:

Loan to Company: During the year under review, your company has given the Interest bearing Loan of Rs. 10,00,000/- to one of the Body Corporate, in which one of the Directors of your company is also holding the position of directorship in that Body Corporate. However, above loan was given due to emergent need



TENTH ANNUAL REPORT

of that Body Corporate for a short period and it has been squared up along with interest @ 10% per annum during the year under review.

Conversion of Letter of Intent into license: Company has already taken the necessary and effective steps to convert its Letter of Intent into Cigarette License. However, Company is not producing cigarettes under this Letter of Intent from the last two years.

INDUSTRIAL RELATIONS

During the year under review, your Company had cordial and harmonious industrial relations at all levels of the Organization.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company has neither earned nor spent any Foreign Exchange.

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 part of the Directors' Report.

ACKNOWLEDGEMENT

Your Directors appreciate the valuable co-operation extended by the Central and State Government authorities and are extremely grateful to the Company's Bankers for their continued assistance, guidance and support. Your Directors are also grateful to the Employees, Shareholders, customers and the general public for their support and confidence reposed in the Management.

For and on behalf of the Board

Place : Delhi
Date : June 28, 2004

(O. P. AGRAWAL)
Chairman

ANNEXURE 'A'

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 optimize the use of energy, wherever possible.

(i) FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT:

a. Research and Development:

Sr. No.	Particulars	Status
1.	Specific areas in which Research and Development carried out by the Company.	Nil
2.	Benefit derived as a result of the above Research and Development.	Nil
3.	Future plan of action.	Nil
4.	Expenditure on Research and development.	Nil

b. Technology Absorption, Adaptation and Innovation:

Company is in service industry and therefore, any specific technology absorption, adaptation and innovation is not required.

For and on behalf of the Board

Place : Delhi
Date : June 28, 2004

(O. P. AGRAWAL)
Chairman



RTCL LIMITED

**ANNEXURE TO THE REPORT OF THE DIRECTORS
CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF
CONDITION OF CORPORATE GOVERNANCE**

To the Shareholders of RTCL Limited

We have examined the compliance of conditions of Corporate Governance by RTCL Limited, for the year ended on 31st March 2004, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange in India.

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

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievance received during the year ended 31st March 2004, no investor grievance are pending against the Company for the period exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investor Grievance Committee.

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

For Kumar Piyush & Co.
Chartered Accountants

Kamal Piyush
Partner

Membership Number : 83399

Place : New Delhi

Date : June 28, 2004

TENTH ANNUAL REPORT

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance:

The Company always strives to achieve optimum performance at all levels by adhering to Corporate Governance Practices comprising of ensuring truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers and the community at large.

In so far as compliance with the requirements of Clause 49 of the Listing Agreement with the Indian Stock Exchanges is concerned, the Company is in full compliance with the norms and disclosures that have to be made on Corporate Governance Format.

2. Board of Directors:*(a) Composition of the Board:*

The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors. The Chairman is a Non-Executive Director (Promoter). In all there are 6 Directors, of which two are Whole-time Executive Director, while three are Non-executive Independent Director. Board believes that the current size is appropriate, based on the Company's present circumstances and in accordance with the requirement of Clause 49 of the Listing Agreement of the Stock Exchange(s).

(b) Number of Board Meetings:

There are 17 Meetings of the Board held during the year 2003-2004, the details of which are given as under:

Sr. No.	Date of Meetings	Board Strength	No. of Directors present
1.	April 30 th , 2003	6	4
2.	June 7 th , 2003	6	5
3.	July 30 th , 2003	6	4
4.	August 30 th , 2003	6	4
5.	September 9 th , 2003	6	4
6.	October 1 st , 2003	6	6
7.	October 11 th , 2003	6	3
8.	October 14 th , 2003	6	3
9.	October 30 th , 2003	6	4
10.	December 12 th , 2003	6	5
11.	December 27 th , 2003	6	3
12.	January 16 th , 2004	6	3
13.	January 31 st , 2004	6	5
14.	February 2 nd , 2004	6	5
15.	February 21 st , 2004	6	5
16.	March 15 th , 2004	6	5
17.	March 24 th , 2004	6	5


RTCL LIMITED
(c) Directors' Attendance record and directorship held:

Name of Directors	Position	Attendance			Other Directorships/ Mandatory Committee Memberships		
		No. of Board Meeting held during the year	No. of Board Meeting attended	Last AGM attended (Yes / No)	Directorships in other public limited companies	Committee member	Committee Chairman
Sh. O. P. Agrawal	Non Executive Chairman Promoter	17	17	Yes	2	-	2
Sh. S. P. Agrawal	Executive Whole Time Director Promoter	17	15	Yes	3	2	-
Sh. Sushil Gupta	Non Executive Independent	17	15	Yes	1	-	-
Sh. Vishal Saxena	Non Executive Independent	17	5	Yes	-	-	-
Sh. Rajesh Agrawal	Non Executive Independent	17	11	Yes	-	-	-
Sh. Brijesh Katiyar	Executive Whole Time Director	17	10	Yes	-	-	-

Notes :

- Mr. S. P. Agrawal has been appointed as Whole-time Director of the Company w.e.f. October 1st, 2003.
- None of the Director is a member of more than 10 Board-level Committees, or a chairman of more than five such committees, as required under clause 49 of the listing agreement.

3. Audit Committee :
(a) Brief description of terms of reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges that inter alia include the overview of the Company's financial reporting processes, review of the quarterly, half-yearly and annual financial statements, review of adequacy of internal control systems, review of the financial and risk management policies and review of significant finding and adequacy of internal control systems etc.

