



MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓		SH	✓
YE	✓			✓

RAGHUNATH INTERNATIONAL LIMITED



Fourth Annual Report

1997-98

For Ragunath International Ltd.

Om Prakash Agarwal
Director



RAGHUNATH INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Mr. OM PRAKASH AGRAWAL
Chairman

Mr. JAI PRAKASH AGRAWAL
Managing Director

Mr. SRI PRAKASH AGRAWAL
Whole-time Director

Mr. GOPAL CHAND GUPTA
Whole-time Director

AUDITORS

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

BANKERS

PUNJAB NATIONAL BANK

REGISTERED OFFICE

Mandhana Bithor Road,
Village Chaudharipur,
Bilhore, Kanpur Dehat - 209 204

HEAD OFFICE

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

WORKS

84/12, Fazalganj,
Kanpur (U. P.)

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FOURTH ANNUAL REPORT

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of RAGHUNATH INTERNATIONAL LIMITED will be held on Monday, the 28th September, 1998 at 12:30 P.M. at the Registered Office of the Company at Mandhana Bithoor Road, Village Chaudharipur, Billhore, Kanpur Dehat-209 203 to transact the following business.

ORDINARY BUSINESS :

1. To consider and adopt Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Gopal Chand Gupta who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint Auditors, 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 an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269, 309 read with Schedule-XIII to the Companies Act, 1956 as amended upto date and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval for the appointment of Mr. Sri Prakash Agrawal as Whole-Time Director of the Company w.e.f. 1st February, 1998 for a period of 5 (Five) Years on the terms and conditions as mentioned in the Explanatory Statement annexed herewith."

By Order of the Board

(JAI PRAKASH AGRAWAL)
Managing Director

Place : Kanpur

Date : July 30, 1998

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 No 4 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 15, 1998 to Monday, the September 28, 1998 (both days inclusive).



RAGHUNATH INTERNATIONAL LIMITED

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 correspondance at the following address:

Raghunath International Limited
63/2, 3rd Floor, Phase-II, City Centre,
The Mall, Kanpur-208 004.

ANNEXURE TO NOTICE

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

ITEM NO.4

The Board of Directors of the Company at their meeting held on 1st February, 1998 appointed Mr. Sri Prakash Agrawal as Whole- Time Director of the Company for a period of five years w.e.f. 1st February, 1998 on the following terms and conditions:

- (a) Salary @ Rs. 25,000/- (Rupees Twenty Five Thousand only) per month.
- (b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as and when applicable as per Company's Rules, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (c) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (d) Encashment of leave at the end of the tenure.
- (e) Children's Education Allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less, if claimed by the Director. Such allowance is admissible upto maximum of two children.
- (f) Holiday passage for children studying outside India/family staying abroad, Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
- (g) Leave Travel Concession: Return passage for self and family in accordance with rules specified by the Company where it is proposed that the leave be spent in the home country instead of anywhere in India.
- (h) The Company shall provide car with driver at residence.

Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

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 of Mr. Sri Prakash Agrawal as Whole-Time Director of the Company. The Board recommend the above resolution for your approval.

This 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 and Mr. Jai Prakash Agrawal are brothers of Mr. Sri Prakash Agrawal and are, therefore related.

All the Directors of the Company except Mr. Gopal Chand Gupta are concerned or interested in the resolution.

By Order of the Board

(JAI PRAKASH AGRAWAL)
Managing Director

Place : Kanpur

Dated : July 30, 1998

FOURTH ANNUAL REPORT

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are presenting their Fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 1998.

FINANCIAL HIGHLIGHTS

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

	Year Ended 1997-98	Year Ended 1996-97
		(Rs. in Lacs)
Sales and Other Income	293.35	515.53
Profit before Interest and Depreciation	19.15	32.90
Interest/Finance Charges	7.63	25.49
Depreciation	5.09	4.76
Profit for the year	6.43	2.65
Prior Period Expenditure	-	0.12
Income Tax for the year	-	0.34
Income Tax adjustments relating to earlier years	2.19	0.73
Profit Brought Forward	7.77	7.31
Amount Available for Appropriation	12.01	8.77
Appropriations:		
Transfer to General Reserves	1.00	1.00
Surplus Carried to Balance Sheet	11.01	7.77

OPERATIONS

The performance during the year has resulted fairly upward trend in Profit of Rs. 6.43 Lacs as against of Rs. 2.65 Lacs in the previous year. The improved profitability from the considerable small base of Turnover in comparison to last year, is due to reduction in Overheads and further due to Operational Efficiency. Company was able to achieve these results in a very difficult year of stagnant, sluggish and competitive market. Unstable political climate and unsatisfactory economic conditions including inactive and depressed present market scenario presented a difficult business climate during the year.

Your Directors expect better Turnover and profitability during the Current year. Considering the low profitability during the year and other measures, the Board again recommend for skip of Dividend for this year.

PROMISES VERSUS PERFORMANCE

The Turnover, PBDIT and PAT for the year is Rs. 282.93 Lacs, Rs.19.15 Lacs and Rs. 4.24 Lacs respectively as against projected figures of Rs. 8634.71 Lacs, Rs. 1405.71 Lacs and Rs. 660.34 Lacs respectively made in the Prospectus. The Company could not achieve its targets as against the projections made by offer document, mainly, due to stiff competition in the market. The Company is following a policy of growth by concentrating in a particular line of its product, mainly, Pan Masala, Gutkha and Mouth freshner, improving its quality and expanding the Geographical Area of Sales so that it can make its constant efforts to improve its competitiveness and achieve its leadership in the industry in which it is engaged.



RAGHUNATH INTERNATIONAL LIMITED

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Mr. Gopal Chand Gupta, Director will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment as the 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) Rules 1975, 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 recognition given and trust reposed in your Company by the Bankers, Customers, Suppliers, Employees, Shareholders and various Government Authorities and thank them for their support and co-operation.

For and on behalf of the Board

Place : Kanpur

Dated : July 30, 1998

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.

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

FOURTH ANNUAL REPORT

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 Pan Masala, Gutkha and Mouth Freshner.

2. *Benefits derived as a result of the above Research and Development:*

The Company is improving the premium quality of Pan Masala, Gutkha and Mouth Freshner under brand name "SIR" and "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 Pan Masala, Gutkha and Mouth Freshner 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
OM PRAKASH AGRAWAL
Chairman

Place : Kanpur
Dated : July 30, 1998

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, 1998.

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.	Jai Prakash Agrawal	36	Managing Director	B.Com.	3,00,000	18	12.10.94	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.								
1.	Sri Prakash Agrawal	33	Whole-time Director	B.Com.	50,000	15	01.02.98	Own Business

NOTE : Appointment of Mr. Jai Prakash Agarwal and Mr. Sri Prakash Agarwal is on contractual basis and are related.

For and on behalf of the Board
OM PRAKASH AGRAWAL
Chairman

Place : Kanpur
Dated : July 30, 1998



RAGHUNATH INTERNATIONAL LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF RAGHUNATH INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of Raghunath International Limited as at 31st March, 1998 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report.

We report as follows :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 dated 7th September, 1988 issued by the Central Government, we enclose in the Annexure a statement of matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in para 1 above :
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the audit.
 - b) In our opinion, proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the Books of Accounts.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts, subject to :
 - i) Non registration, no deduction and deposit of contribution of employer and employees under the provisions of Employees' State Insurance Act, 1948. (refer note number (5) appearing in Schedule 'T')
 and read together with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) In case of Balance Sheet of the state of the Company's affairs as at 31st March, 1998; AND
 - ii) In case of Profit and Loss Account of the profits for the year ended 31st March, 1998.

For KUMAR PIYUSH & CO.
Chartered Accountants

KAMAL PIYUSH
Partner

Place : Delhi
Dated : June 26, 1998

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the paragraph number (1) of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These records are updated for additions and deletions during the year. The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
2. None of the fixed assets of the Company have been revalued during the year.
3. The stock of raw materials, packing materials, stores and spares and finished goods have been physically verified by the management during the year except, goods-in-transit.
4. Procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. Discrepancies noticed on verification between the physical stock and book stocks were not materials in relation to the operations of the Company and the same have been properly dealt within the books of accounts.
6. On the basis of the examination of the stock records, we are of the opinion that the valuation of the stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the previous year.