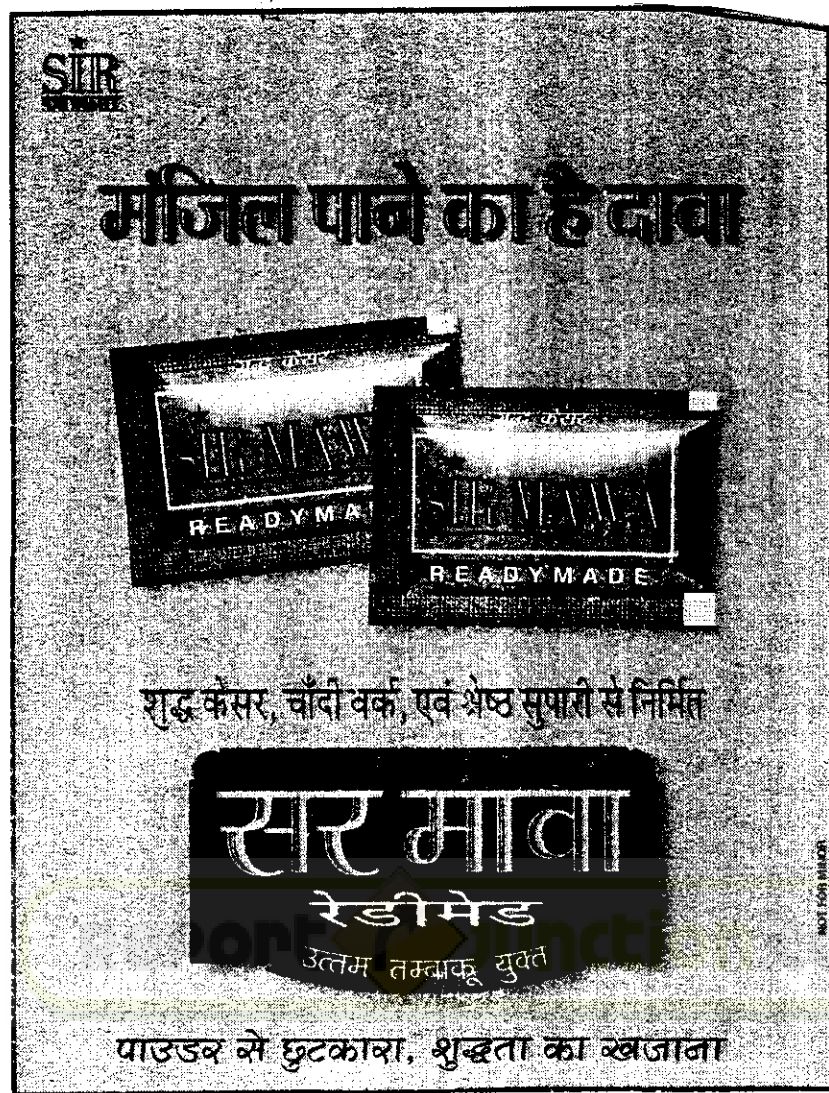




RAGHUNATH INTERN.



Fifth Annual Report

1998-99

For RAGHUNATH INTERNATIONAL LIMITED

(VISHAL SAXENA)
COMPANY SECRETARY



RAGHUNATH INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Mr. OM PRAKASH AGRAWAL
Chairman

Mr. JAI PRAKASH AGRAWAL
Managing Director

Mr. SRI PRAKASH AGRAWAL
Director

Mr. GOPAL CHAND GUPTA
Director

COMPANY SECRETARY

Mr. VISHAL SAXENA

AUDITORS

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

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

Mandhana Bithoor Road,
Village Chaudharipur,
Billhore, 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.)

SHARE TRANSFER & INVESTORS SERVICE DEPARTMENT

6926, Jaipuria Mills, Subzi Mandi, Clock Tower
Delhi-110 007

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FIFTH ANNUAL GENERAL MEETING

Date	: December 10th, 1999
Day	: Friday
Time	: 12.30 P.M.



RAGHUNATH INTERNATIONAL LIMITED

NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of RAGHUNATH INTERNATIONAL LIMITED will be held on Friday, the 10th December, 1999 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, 1999 and Profit and Loss Account for the year ended on that date and Notes thereto together with the Reports of Directors and Auditors.
2. To appoint a Director in place of Shri 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, 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 decided by the Board of Directors of the Company, keeping in view the work involved."

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act 1956, the Objects of the Memorandum of Association of the Company be and is hereby altered as under :
- 1) The following new Sub Clauses 8 and 9 be added after Sub Clause 7 :
 "8. To carry on and undertake the business of purchasing, selling, acquiring, hiring or letting on lease or otherwise any land, building or land appurtenant thereto or otherwise dealt with therein in any manner whatsoever including construct, execute, carryout, improve, work, develop, resale in whole or in any other manner, erect, charge, mortgage, enlarge, rebuilt, pulldown, administer and otherwise deal in the land, houses, building, markets, warehouses and all other works or conveniences whatsoever and to convert and appropriate any roads, streets, squares, markets, shopping complexes, commercial or official complexes, business complexes, residential complexes, godowns, colonies, sports and recreation centres, library, reading room and generally to carry out the business of builders, contractors, real estate developer, engineers, architects, surveyors, estimators and designers and to undertake or direct the construction and management and control of property, building, land and estate of any tenure or kind.
 9. To manage land, building and other property whether belonging to the company or not and to collect rents, profits and issues and to provide and supply to tenants or other occupier refreshments, light, waiting rooms, reading rooms, meeting rooms, swimming pools, club rooms, gardens, lavatories, laundry, conveniences, garaging facilities, play grounds, water air conditioning facilities and equipment, lifts and all other such conveniences and appliances relating to or connected with offices and residence requirements in general."
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 of

FIFTH ANNUAL REPORT

the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, 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 to the reappointment of Mr. Jai Prakash Agrawal as Managing Director of the Company w. e. f. 9th November, 1999 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

Place : Kanpur

(VISHAL SAXENA)

Date : November 1, 1999

Company Secretary

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 & 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 hour 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 Share Department of the Company has shifted to Delhi w. e. f. 1st July, 1999. Members are, therefore, requested to make all correspondence in this regard at the following address :

Raghunath International Limited
6926, Jaipuria Mills, Clock Tower, Subzi Mandi
Delhi-110 007

ANNEXURE TO NOTICE

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 areas of sale, purchase, development or otherwise dealing in land, building, real estate development and business of like nature, it is necessary to amend the Main Objects clause 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 the said Section, prior approval of the Members by way of Special Resolution is required.

The Board of Directors of the Company recommend the passing of the Special Resolution contained at Item No. 4 of the accompanying Notice.

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

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution except to the extent of their individual shareholding in the company.

ITEM NO. 5

Shri Jai Prakash Agrawal was appointed by the Company as Managing Director for a period of 5 years w. e. f. 9th November, 1994 under Schedule XIII of the Companies Act, 1956 and his tenure comes to end on 8th November, 1999.

The Board of Directors of the Company at their meeting held on 1st November, 1999 reappointed Shri Jai Prakash Agrawal as Managing Director of the Company for a period of five years w. e. f. 9th November, 1999.



RAGHUNATH INTERNATIONAL LIMITED

The terms and conditions including remuneration payable to Shri Jai Prakash Agrawal are as follows :

- (1) **SALARY** : Salary @ Rs. 25,000/- (Rupees Twenty Five Thousand only) per month.
- (2) **PERQUISITES** : Managing Director shall be entitled to the following perquisites and benefits :
 - (i) Company's Contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (ii) Gratuity at the rate of one month's Salary for each completed year of service.
 - (iii) Reimbursement of medical expenses incurred in India or abroad, including hospitalisation, nursing home and surgical charges for himself and family subject to a ceiling of one months salary in a year or three months salary over a period of three years.
 - (iv) Leave Travel Concession for self and his family once in a year to and fro a place in India or Abroad subject to the condition that actual fare shall be reimbursed.
 - (v) Children's Education Allowance : In case of Children studying in or outside India, an allowance limited to 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.
 - (vi) 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.
 - (vii) Fees in respect of one club to be borne by the Company but not the admission or life membership fees payable to the Clubs.
 - (viii) Free use of Car with driver for the Company's business. All the expenditure in connection there with to be borne by the Company.
 - (ix) Free Telephone facility at the residence.

(3) OTHER TERMS

- (i) Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.
- (ii) He is not entitled to sitting fees for attending Meetings of the Board or of a Committee thereof
- (iii) The appointment shall be terminated by the Company giving to the said Managing Director a notice of three months of such termination or on payment of three months salary in lieu thereof and by the Director notice of three months to the company.

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

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. Jai Prakash Agrawal as Managing Director of the Company. Your Board recommends 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 Shri Jai Prakash Agrawal as Managing Director of the Company. Shri Om Prakash Agrawal and Shri Sri Prakash Agrawal are brothers of Shri Jai Prakash Agrawal and are therefore related.

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

Place : Kanpur
Dated : November 1, 1999

By Order of the Board
(VISHAL SAXENA)
Company Secretary

FIFTH ANNUAL REPORT

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present their Fifth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 1999.

FINANCIAL HIGHLIGHTS

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

	Year Ended 1998-99	Year Ended 1997-98
		(Rs. in Lacs)
Sales and Other Income	411.33	293.35
Profit before Interest and Depreciation	31.90	19.15
Finance Charges	1.09	7.63
Depreciation	5.55	5.09
Profit for the year	25.26	6.43
Prior Period Expenditure	0.42	-
Income Tax for the year	5.10	-
Income Tax adjustments relating to earlier years	1.33	2.19
Net Profit for the year	18.41	4.24
Profit Brought Forward	11.01	7.77
Amount Available for Appropriation	29.42	12.01
Appropriations:		
Transfer to General Reserves	5.00	1.00
Surplus Carried to Balance Sheet	24.42	11.01

OPERATIONS

Your Company continued its better performance this year as well. The Company's Gross revenue has grown from Rs. 293.35 Lacs in 1997-98 to Rs. 411.33 Lacs during the current year, registering a growth rate of 40 percent. Gross Profit recorded a increase of 67 percent whereas the Net Profit after tax for the year rose to four times and jumped from 4.24 Lacs in the previous year to Rs. 18.41 Lacs in the current year inspite of Global Economy Recession and unstable political climate during the year 1998-99.

During the year under review, a new member has been introduced in the product family of the company named as "MAWA" under brand name "SIR". This product has received fairly good response from the consumers and is gaining popularity day by day in all over the country. Company is making its best efforts by improving the quality of the product as well as launching the new product, to improve its competitiveness and achieve its leadership in the industry in which it is engaged.

In order to plough back profits for further expansions and operations of the Company, your directors have not recommended any dividend for the year.

DIRECTORS

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



RAGHUNATH INTERNATIONAL LIMITED

PARTICULARS OF EMPLOYEES

During the year under review, your Company did not have any employees within the purview of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended upto 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 thereunder.

AUDITORS

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

AUDITORS' REPORT

The notes to the accounts referred in the Auditor's Report are self-explanatory and, therefore, do not call for any further comments on the Auditors' Report under Section 217 (3) of the Companies Act, 1956.

LISTING DETAILS

The Equity Shares of the Company are listed at the following Stock Exchanges :

The Uttar Pradesh Stock Exchange Association Limited

Padam Towers,
14/113, Civil Lines,
Kanpur-208 001

Delhi Stock Exchange Association Limited

West Plaza, I. G. Stadium,
Indraprastha Estate,
New Delhi-110 002

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Tower,
Dala Street,
Mumbai-400 001

The Annual listing fees for the financial year 1999-2000 has already been paid by the company with respect to aforesaid stock exchanges.

Y2K PREPAREDNESS

Your Directors are pleased to report that your Company has taken all the necessary and effective steps to ensure Y2K compliance for all its Computer Systems. The Company's contingency plan in the event of system breakdown/failure due to the Y2K problem is to take the backup on December 31st, 1999 of all its data/information available on Computer System.

INDUSTRIAL RELATIONS

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

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