



# **RAGHUNATH INTERNATIONAL LIMITED**

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Raghunath International Limited

Company Secretary

*Tenth Annual Report*  
**2003-2004**



## RAGHUNATH INTERNATIONAL LIMITED

### Board of Directors

Mr. G. N. CHOUDHARY  
Chairman (Whole-time Director)

Mr. ATAL BIHARI BAJPAI  
Director

Mr. SHIV PRAKASH TRIVEDI  
Director

Mr. SAMAR BAHADUR SINGH  
Director

### COMPANY SECRETARY

Mr. VISHAL SAXENA

### AUDITORS

KUMAR PIYUSH & CO.  
Chartered Accountants  
C-5, Lajpat Nagar, Phase-III,  
New Delhi - 110 024

### BANKERS

STATE BANK OF INDIA

### REGISTERED OFFICE

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

### CORPORATE OFFICE

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

### WORKS

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

### HEAD OFFICE

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

### SHARE TRANSFER AGENT

Intime Spectrum Registry Limited, A-31, IIIrd Floor, Naraina Industrial Area, Phase-I,  
New Delhi - 110 028

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**RAGHUNATH INTERNATIONAL LIMITED**

Regd. Office : Mandhana Bithoor Road, Village Chaudharipur  
Bithoor, Kanpur - 209 201

**NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of RAGHUNATH INTERNATIONAL LIMITED will be held on Tuesday, the 28<sup>th</sup> September, 2004 at 11:00 A.M. at the Registered Office of the Company at Mandhana Bithoor Road, Village Chaudharipur, Bithoor, Kanpur -209 201 to transact the following ordinary businesses and to transact the special business at Item No. 4 through Postal Ballot under Section 192A of the Companies Act, 1956 and rules made thereunder :

**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 together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shiv Prakash Trivedi, 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 declare and announce the Postal Ballot Result of an Ordinary Resolution in respect of Sale, Lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company.

**RESOLUTION**

"RESOLVED THAT pursuant to Section 293(1)(a) and all other applicable provisions, if any, of The Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board) to sell, lease or otherwise dispose of at such consideration and with effect from such date as the Board may think fit, the whole or substantially the whole of the undertaking of the Company i.e. the factory situated at , Kanpur."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid Resolution."

Place : Delhi  
Date : August 9<sup>th</sup>, 2004  
**NOTES :**

By Order of the Board  
(Vishal Saxena)  
Company Secretary

1. Special Business at Item No. 4 requires consent of members through postal ballot. Members are requested to send their assent or dissent in writing to the Scrutinizer at the Registered Office of the Company by Postal Ballot Form enclosed herewith. A self-addressed postage pre-paid envelop is also enclosed herewith.
2. The Postal Ballot Form duly completed and signed should be forwarded to the Registered Office of the Company at Mandhana Bithoor Road, Village Choudharipur, Bithoor, Kanpur- 209 201 so as to reach the Company not later than the close of working hours on 27<sup>th</sup> September, 2004.

Raghunath International Limited

Company Secretary

3. Postal Ballot shall not be exercised by a Proxy.
4. In accordance with the Companies (Passing of Postal Ballot) Rules, 2001, Postal Ballot(s) received after 27<sup>th</sup> September, 2004 shall be treated as if the reply from the members has not been received and the same shall not be considered.
5. Incomplete, unsigned or incorrectly ticked Postal Ballot is subject to rejection.
6. 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.
7. The Company has appointed Mr. Sushil Gupta, Company Secretary in Whole-Time Practice, as scrutinizer who, in the opinion of Board, can conduct the Postal Ballots voting process in a fair and transparent manner.
8. The Scrutinizer will be available at the Registered Office of the Company for the purpose of ascertaining the requisite majority and the Postal Ballots and all other papers relating to Postal Ballots will be under his safe custody till the Chairman of the meeting considers, approves and signs the minutes of the meeting.
9. A member entitled to attend a meeting is entitled to appoint a proxy to attend 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.
10. The Register of members and the share transfer books shall remain closed from Tuesday, the 14<sup>th</sup> September, 2004 to Tuesday, the 28<sup>th</sup> September, 2004 (Both days inclusive).
11. Members who are holding shares in the Identical order of names in more than one folio, are requested to write to the Company at the address mentioned in the Corporate Governance Report, to enable it to consolidate their holding in one folio.
12. 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

The Company had during the year 2003-2004, undertaken a comprehensive review of its business in India together with industry trend towards the business models for running this kind of manufacturing unit. The Board of Directors noted and took record the report of the review and analyzed the various options detailed therein.

The Board of Directors of the Company, at its meeting held on August 9th, 2004, has approved, subject to your approval, the sale, lease or otherwise disposal of the undertaking i.e. the factory situated at Kanpur.

Further to above, pursuant to Section 192A of the Companies Act, 1956, the Central Government has already specified the above business to be conducted only through the Postal Ballot and required the consent of members by way of postal ballot. A blank format of postal ballot is attached with this notice along with a self addressed postage pre paid envelop for facilitating the communication of assent or dissent through postal ballot.

The Board of Directors of the Company recommend the passing of the Ordinary Resolution contained at Item No. 4 of the accompanying notice by way of postal ballot.

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

Place : Delhi

Date : August 9th, 2004

By Order of the Board

(Vishal Saxena)

Company Secretary

**RAGHUNATH INTERNATIONAL LIMITED**

Regd. Office : Mandhana Bithoor Road, Village Chaudharipur, Bithoor, Kanpur - 209 201

**PROXY FORM**

DP Id.*	
---------	--

No. of Shares	
---------------	--

Client Id.*	
-------------	--

Master Folio No.	
------------------	--

I/We .....

of .....

being a Member/Members of the above named Company hereby appoint.....

..... of .....

of failing him/her Shri .....

of .....

as my/our Proxy to attend and vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Members of the Company to be held on Tuesday, the 28th September, 2004 at its Registered Office at Mandhana Bithoor Road, Village Chaudharipur, Bithoor, Kanpur-209 201 at 11:00 A.M. and any adjournment thereof.

AS WITNESS my/our hand(s) this..... day of..... 2004.

Signature .....

Affix Revenue Stamp
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\* Applicable for Investors holding shares in electronic form.

Note : The proxy must be deposited at the Registered Office of the company not less than 48 hours before the time fixed for holding the meeting.

..... (Cut Here) .....

**RAGHUNATH INTERNATIONAL LIMITED**

Regd. Office : Mandhana Bithoor Road, Village Chaudharipur, Bithoor, Kanpur- 209 201

**ATTENDANCE SLIP**

DP Id.*	
---------	--

No. of Shares	
---------------	--

Client Id.*	
-------------	--

Master Folio No.	
------------------	--

I/We hereby record my/our presence at the Tenth Annual General Meeting of the members of the Company held on Tuesday, the 28th September, 2004 at its Registered Office at Mandhana Bithoor Road, Village Chaudharipur, Bithoor, Kanpur-209 201 at 11:00 A.M.

Full Name(s) of Member(s).....

.....

Full name of attending member/proxy.....

\* Applicable for Investors holding shares in electronic form.

Signature of Member Proxy  
(To be done at the Entry Point)

Note : Please fill in block letters, except signature. Please bring your copy of the Annual Report in the Meeting.



# RAGHUNATH INTERNATIONAL LIMITED

## RAGHUNATH INTERNATIONAL LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors are pleased to present their Tenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2004.

#### FINANCIAL HIGHLIGHTS

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

(Rs. In Lacs)

Particulars	Year Ended 2002-2003	Year Ended 2002-2003
<b>Sales and Other Income</b>	<b>1326.20</b>	<b>767.86</b>
Profit before interest and Depreciation	51.59	72.82
Finance Charges	6.82	29.22
Depreciation	21.73	25.22
<b>Profit for the Year</b>	<b>23.04</b>	<b>18.38</b>
Less : Extraordinary Items	3.32	-
Less : Income Tax for the year	1.52	1.45
Less : Income Tax Adjustments for earlier years	0.17	2.46
Less : Provision for Wealth Tax	0.25	0.20
Less : Adjustments of Deferred Tax Assets	6.75	4.97
<b>Net Profit for the Year</b>	<b>11.03</b>	<b>9.30</b>
Add : Balance Brought Forward	7.56	(1.74)
Amount available for appropriation	18.59	7.56
<b>Appropriation:</b>		
Transfer to General Reserves	5.00	-
Surplus Carried to Balance Sheet	13.59	7.56

#### OPERATIONS

The year 2003-2004 has been a year of challenges due to unstable external environment including anti-tobacco campaign being under taken by the Social Organizations as well as the Government.

The Company has achieved the gross turnover of Rs. 1326.20 Lacs during the year ended March 31<sup>st</sup>, 2004 as against Rs. 767.86 Lacs in the previous year. However, Company has achieved a Net profit of Rs. 11.03 Lacs as against the profit of Rs. 9.30 Lacs in the previous year. Your Company has been actively pursuing the opportunities available in the segment of Real Estate Business.

#### DIVIDEND

In the opinion of the board, it would be prudent to retain the distributable profits of the Company for the present year without payment of dividend, as this would consolidate the financial position of the Company.

**RAGHUNATH INTERNATIONAL LIMITED**

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**CORPORATE GOVERNANCE**

Your Company has successfully implemented the mandatory provisions of Corporate Governance in accordance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges. A separate section on Corporate Governance is included in the Annual Report and Certificate dated June 24, 2004 of the auditors of your Company confirming the compliance of conditions of Corporate Governance 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 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 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.

**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 Director's 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

(G. N. Choudhary)

Date: June 24, 2004

Chairman

## TENTH ANNUAL REPORT

### DIRECTORS

During the year under review, Mr. S. P. Agrawal and Mr. J. P. Agrawal have resigned from the Directorship of the Company with effect from July 1<sup>st</sup>, 2003. Mr. Samar Bahadur Singh has been appointed on July 1<sup>st</sup>, 2003 by the Board to fill the casual vacancy caused due to resignation of Mr. S. P. Agrawal.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Shiv Prakash Trivedi, Director 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:

- (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 the 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 31<sup>st</sup> March, 2004, on a 'going concern' basis.

### SHARE TRANSFER AGENT

In reference to the Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 and Circular No. D&CC/FITTC/CIR-18/2003 dated February 12, 2003 issued by The Securities Exchange Board of India, your Company has appointed a common agency 'Intime Spectrum Registry Limited' as Share Transfer Agent for handling of share work in Physical as well as Electronic Mode, with effect from March 31<sup>st</sup>, 2003, address details of which are given in separate section on Corporate Governance.

### DEMATERIALIZATION OF EQUITY SHARES

Through the Notification No. SMDRP/POLICY/CIR-23/2000 dated May 29th, 2000, issued by Securities and Exchange Board of India (SEBI), trading in the Equity Shares of your Company is permitted only in dematerialization form w.e.f. October 31<sup>st</sup>, 2000. NSDL and CDSL have allotted International Security Identification Number (ISIN) – INE753B01014 for the equity shares of your Company. The status of Equity Capital exist in Electronic Form and Physical Form as on March 31<sup>st</sup>, 2004 is as under:

Particulars	Nos. of Shares	Percentage
<i>Electronic Mode</i>		
NSDL	21,36,698	42.73
CDSL	71,222	1.43
<b>Total :</b>	<b>22,07,920</b>	<b>44.16</b>
Physical Mode	27,92,280	55.84
<b>Grand Total :</b>	<b>50,00,200</b>	<b>100.00</b>





## RAGHUNATH INTERNATIONAL LIMITED

### 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. There are four Directors, of which only one is Whole-time Executive Director (Non-Independent), while remaining three Directors are under the category of Non-executive Independent. The Chairman is Executive Director (Non-Independent). 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 11 Meetings of the Board held during the year 2003-2004, the details of which are given as under :

Sl. No.	Date	Board Strength	No. of Directors present
1.	01.04.2003	5	5
2.	30.04.2003	5	5
3.	31.05.2003	5	3
4.	30.06.2003	5	5
5.	01.07.2003	5	5
6.	12.07.2003	4	4
7.	30.07.2003	4	3
8.	30.10.2003	4	3
9.	31.01.2004	4	3
10.	07.02.2004	4	3
11.	25.03.2004	4	3

**TENTH ANNUAL REPORT****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.

**(v) 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.	In the development of New Products, blend and taste in production of Pan Masala, gutkha, Mouth freshner and Mawa.
2.	Benefit derived as a result of the above Research and Development .	The Company is improving the premium quality of Pan Masala, Gutkha, Mouth Freshner and Mawa under Brand Name 'SIR'.
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

**b. Technology Absorption, Adaptation and Innovation:**

The production of Pan Masala, Gutkha, Mouth Freshner and Mawa does not require any specific technology absorption, adaptation and innovation except the blending of compound, which are developed inhouse.

For and on behalf of the Board

Place : Delhi

(G. N. Choudhary)

Date : June 24<sup>th</sup>, 2004

Chairman