



RAGHUNATH INTERNATIONAL LIMITED



**THIRTEENTH ANNUAL REPORT
2006-2007**



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 BHADUR SINGH	:	Director

COMPANY SECRETARY

MR. AMITABH AGRAWAL

AUDITORS

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

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, Factory Area, Kanpur (U.P.)

HEAD OFFICE:

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

SHARE TRANSFER AGENT:

Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall, New Delhi - 110 028

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RAGHUNATH INTERNATIONAL LIMITED

NOTICE

NOTICE is hereby given that the **Thirteenth Annual General Meeting** of the Members of RAGHUNATH INTERNATIONAL LIMITED will be held on Friday, the 28th September, 2007 at 11.00 A.M. at the Registered Office of the Company at Mandhana Bithoor Road, Village Choudharipur, Bithoor, Kanpur-209201 to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2007 and the Balance Sheet as at that date and the Report of the Board 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 re-appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration M/s Kumar Piyush & Co., Chartered Accountants, retiring Auditors are eligible for re-appointment.

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 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. Gaja Nand Choudhary as Whole-Time Director of the Company w.e.f. March 31st, 2007 for a period of 5 (Five) years on the following terms and conditions, which has been approved by the Remuneration Committee at their meeting held on March 31st, 2007, in accordance with the amended provisions of Part II, Section II of Schedule- XIII to the Companies Act, 1956:
 - (i) **SALARY:** He shall be entitled for a monthly remuneration of Rs. 19,625/- (Rupees Nineteen Thousand Six Hundred and Twenty Five only).
 - (ii) **ACCOMMODATION:** He shall be provided a Rent Free Unfurnished Accommodation by the Company in the local limits of New Delhi, subject to the maximum rent of Rs. 6,000/- month.
 - (iii) **INCREMENT:** He shall be entitled for the yearly increment on salary within the range of 10% to 20%, as may be deciding by the Board of Directors."

By Order of the Board

Place: Delhi
Dated: June 30, 2007

Amitabh Agrawal
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. M/s Intime Spectrum Registry Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028 is the Registrar and Share Transfer Agent for physical shares of the Company. M/s Intime Spectrum Registry Limited is also the depository interface of the Company with both NSDL and CDSL.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 14, 2007 to Friday, September 28, 2007 (both days inclusive).
4. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
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.

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6. As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members of the Company in respect of shares held by them. Members who wish to nominate a person, may furnish the required details to the Company in prescribed form.

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

ITEM NO. 4

Board of Directors of the Company at their meeting held on March 31st 2007 have, have subject to the shareholders' approval and provision of the articles of association of the company, re-appointed Mr. G.N. Choudhary as Whole-time Director for a period of five years w.e.f. March 31st 2007 on the terms and conditions as set out in the Resolution. 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. G.N. Choudhary as Whole-time Director of the Company.

The remuneration payable to and the terms of appointment of Mr. G.N. Choudhary during the tenure of his appointment for a period of Five years will comprise of salary, allowances and perquisites, the aggregate monetary value of such salary, allowances and perquisites being limited to Rs.2,92,050/- per annum.

He shall be entitled for the yearly increment on salary within the range of 10% to 20%, as may be decided by the Board of Directors.

The perquisites and allowances payable to Mr. G.N. Choudhary, subject to aforesaid limits, will include, the company's contribution to provident fund. Superannuation or annuity fund, gratuity and such other perquisites and / or allowances, within the amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable as per the Income-tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). In addition he shall be entitled to encashment of leave at the end of the tenure as per the rules of the company.

He shall be provided a Rent Free Unfurnished Accommodation by the Company in the local limits of New Delhi, subject to the maximum rent of Rs. 6,000/- month.

The terms and conditions set out for appointment and payment of remuneration herein and / or in the agreement may be altered and varied from time to time by the board as it may, at its discretion, deem fit within the overall ceiling fixed herein.

The board or any committee thereof is entitled to revise the salary, allowances and perquisites payable to the whole-time director of the company at any time, such that the overall remuneration payable shall not exceed the aggregate amount of Rs.2,92,050/- as specified above.

The aforesaid agreement may be terminated by either party (company or the whole-time director) by giving three months' prior notice of termination in writing to the other party.

Your directors recommend the resolution for your approval.

The above may also be treated as abstract of the terms of the contract/agreement between the company and Mr. G.N. Choudhary pursuant to section 302 of the Companies Act. 1956.

Mr. G.N. Choudhary is interested in the resolution, which pertains to his appointment and / or remuneration payable to him. Save and except the above, no other director of the company is, in any way, concerned or interested, in this resolution.

By Order of the Board

Place: Delhi
Dated: June 30, 2007

Amitabh Agrawal
Company Secretary

By Order of the Board



RAGHUNATH INTERNATIONAL LIMITED

DIRECTORS' REPORT

To
The Members of RaghuNath International Limited
Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company together with the Audited Accounts of the Company for the year ended March 31, 2007.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:—

(Rupees in Lakhs)

PARTICULARS	Year ended 2006-2007	Year ended 2005-2006
Sales and Other Income (Gross)	1464.34	1185.26
Profit/(Loss) before Interest and Depreciation	151.17	47.54
Less: Finance Charges	(7.28)	(02.27)
Less: Depreciation	(19.18)	(15.01)
Profit/(Loss) for the Year	124.71	30.26
Add/(Less): Extraordinary Items	(0.05)	1.36
Less: Fringe Benefit Tax	(1.62)	(1.61)
Less: Provision for Income Tax	(40.59)	(8.25)
Less: Provision for Wealth Tax	(0.24)	(0.28)
Add/(Less): Deferred Tax Assets/ (Liability)	0.53	0.19
Net Profit/(Loss) for the Year	82.74	21.67
Add: Balance brought forward	44.74	28.07
Amount available for appropriation	127.48	49.74
Appropriation:		
Transfer to General Reserves	20.00	5.00
Surplus carried to the Balance Sheet	107.48	44.74

OPERATIONS

During the year under review, the Net Sales of the Company increased to Rs.1228.88 lacs as compared to Rs.1068.82 lacs in the previous year. The Net Profit of the Company enhanced to Rs. 82.74 lacs in comparison to Rs.21.67 lacs in the previous year registering a growth of 281.82%.

The Company will continue to be responsive to changes in market dynamics and consumer behaviour and other key factors influencing the business, and will formulate its strategies accordingly.

DIVIDEND

With a view to conserve resources for the future corporate needs, the Board of Directors considered it expedient not to recommend any dividend during the financial year.

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DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shiv Prakash Trivedi is liable to retire by rotation and is eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards had been followed and no material departure have been made from the same;
- (ii) That the 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 Director has prepared the annual accounts for the financial year ended 31st March, 2007, on a 'going concern' basis.

DEMATERIALIZATION OF EQUITY SHARES

The Company's equity shares are available for trading in the Depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allotted by NSDL and CDSL to the Company is INE753B01014. The Demat status of the Company as on March 31st, 2007 is as under:—

Particulars	Nos. of Shares	Percentage
Electronic Mode		
NSDL	26,59,526	53.19
CDSL	2,67,294	5.34
Total	29,26,820	58.53
Physical Mode	20,73,380	41.47
Total:	50,00,200	100.00

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 of the Stock Exchanges. Separate Report on Corporate Governance and Management Discussion & Analysis are included in the Annual Report and Certificate dated June 30, 2007 of the Auditors of your Company confirming the compliance of conditions of Corporate Governance is also annexed thereto.

PARTICULARS OF EMPLOYEES

There was no employee in respect of whom information is required to be given pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.



RAGHUNATH INTERNATIONAL LIMITED

AUDITORS

M/s. Kumar Piyush & Co. Chartered Accountants, the Statutory Auditors, will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS REPORT

In respect of observation made by the Auditors in their Report, your Directors wish to state that the respective notes to the accounts are self-explanatory, and do not call for any further comments.

INDUSTRIAL RELATIONS

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

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.

SUBSIDIARY COMPANY

There was no Subsidiary Company during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

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.

ACKNOWLEDGEMENTS:

The Directors acknowledge with gratitude, the co-operation and assistance received from the Government, Banks, Authorities and other Business Constituents. The Directors would also like to thank the employees, shareholders, customers and suppliers for their continuous support given by them to the Company and their confidence in the Management.

By Order of the Board

Place: Delhi
Dated: June 30, 2007

Amitabh Agrawal
Company Secretary

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CORPORATE GOVERNANCE REPORT

1. The Company's Philosophy on Code of Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Company has a strong legacy of fair, transparent and ethical governance.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders.

2. Board of Directors

Composition as on March 31, 2007

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 4 Directors, out of which 3 are Independent Directors. The Chairman of the Company is a Whole-time Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Name	Category	No. of Directorships held in other Public Limited Companies	No. of Board Committee position held in other Public Limited Companies	
			Chairman	Member
Mr. Gajanand Choudhary	Executive, Whole Time Director	–	–	–
Mr. Atal Bihari Bajpai	Non-Executive Independent Director	–	–	–
Mr. Samar Bahadur Singh	Non-Executive Independent Director	–	–	–
Mr. Shiv Prakash Trivedi	Non-Executive Independent Director	–	–	–

3. Board Meetings

The Board held 16 (Sixteen) Meetings during the year 2006-2007 on 10.04.2006, 28.04.2006, 30.06.2006, 31.07.2006, 03.09.2006, 30.09.2006, 03.10.2006, 31.10.2006, 30.11.2006, 08.12.2006, 30.12.2006, 30.01.2007, 31.01.2007, 01.03.2007, 22.03.2007, 31.03.2007.

Attendance of Directors at Board Meetings and at the Annual General Meeting

Name of the Director	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Gajanand Choudhary	16	Yes
Mr. Atal Bihari Bajpai	16	Yes
Mr. Samar Bahadur Singh	16	Yes
Mr. Shiv Prakash Trivedi	16	Yes

The Board ensures compliance of all laws applicable to the Company and takes steps to rectify non-compliances, if any.



RAGHUNATH INTERNATIONAL LIMITED

4. Committees of the Board

(i) Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of the reference of the Audit Committee are as per the Guidelines set out in the Listing Agreement with the Stock Exchanges that inter-alia include the overview of the Company's financial reporting processes, review of quarterly, half-yearly and annual financial statements, review of adequacy of internal control systems, review of financial and risk management policies and review of significant finding and adequacy of internal control system etc.

Composition and Attendance

During the year 2006-2007, 5 (Five) Meetings of the Audit Committee were held on 10.04.2006, 30.06.2006, 31.07.2006, 31.10.2006 and 30.01.2007

Name of the Member	Category	No. of Meetings Attended
Mr. Atal Bihari Bajpai (Chairman)	Non-Executive Independent	5
Mr. Shiv Prakash Trivedi	Non-Executive Independent	5
Mr. Samar Bahadur Singh	Non-Executive Independent	5

The Members of the Audit Committee have requisite knowledge in the field of Finance, Accounts and Management. Minutes of each Meeting of Audit Committee are placed and discussed before the Board of Directors. The representative of Statutory Auditors attends the meetings of Audit Committee.

Mr. Sachin Agarwal, Company Secretary*(upto 30.11.2006) and thereafter Mr Amitabh Agrawal, Company Secretary acted as Secretary of the Committee.

(ii) Remuneration Committee

The terms of reference of Remuneration Committee are as per the Guidelines set out in the Listing Agreement with the stock exchange(s), falling under the category of non-mandatory requirements of Corporate Governance that inter alia includes formulation and recommendation to the Board from time to time, a remuneration structure for the Whole-time Members of the Board.

Composition of Remuneration Committee

Name	Category
Mr. Shiv Prakash Trivedi (Chairman)	Non-Executive, Independent
Mr. Atal Bihari Bajpai	Non-Executive, Independent
Mr. Samar Bahadur Singh	Non-Executive, Independent

Meetings and Attendance during the year

Only one meeting of the above constituted Remuneration Committee was held on March 31st 2007 for the purpose of approval of remuneration of Mr G.N. Choudhary, appointed as Whole-time Director of the Company, in which all the members of the Committee were present.

Remuneration Policy

The Remuneration Committee determines and recommends to the Board, the remuneration of the Directors and the same is subject to the approval of Members.

The key components of the Company's Remuneration policy are:-

- Remuneration will be a major driver of performance.
- Remuneration will be transparent, fair and simple to administer.

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- Remuneration is determined in accordance with experience and nature of responsibilities.
- Remuneration will be fully legal and tax compliant.

At present, the Company is not paying remuneration / sitting fees to its Non-Executive Directors. However, remunerating the Non Executive Directors by way of payment of sitting fee is under consideration. Non Executive Directors do not hold any shares and convertible instruments of the Company.

The salary paid during the year ended 31st March, 2007 to Mr. G.N. Choudhary, Whole-time Director is Rs.2,92,050/-

The detail of service contract of Whole-time Director of the Company is as under:

Name	Date of Appointment	Tenure	From	To
Mr. G.N. Choudhary	31 st March, 2007	5 years	31 st March, 2007	30 th March, 2012

- Notice period as per Company's Rules.
- No Severance Fee and Stock is payable.

(iii) Shareholders/Investors' Grievance Committee:

The terms of reference of Shareholders/Investors' Grievance Committee are as under:

- Approval of requests received for transfer/transmission of shares including dematerialization/ rematerialization of securities.
- Approval of requests received for issue of duplicate certificates.
- Rejection of requests for share transfers, wherever applicable.
- Redressal of serious complaints received from shareholders/investors on non-receipt of shares after transfer in the physical form, complaints on Non-receipt of Balance Sheet, dividend etc.

Composition of Shareholders/ Investors' Grievance Committee

Name	Category
Mr. Samar Bahadur Singh (Chairman)	Non-Executive, Independent
Mr. Shiv Prakash Trivedi	Non-Executive, Independent
Mr. Atal Bihari Bajpai	Non-Executive, Independent

Mr. Sachin Agarwal, Company Secretary*(upto 30.11.2006) and thereafter Mr Amitabh Agrawal, Company Secretary was the Compliance Officer during the year under report.

Details of Complaints received during the year: .

Nature of Complaint	2006 – 2007		
	Received	Cleared	Pending
Non receipt of Share Certificate duly transferred	-	-	-
Non-receipt of Annual Report	-	-	-

5. (a) General Body Meetings:

The Last three Annual General Meetings were held as per the details given below: