



RAGHUNATH INTERNATIONAL LIMITED



Third Annual Report

1996-97

MD	✓		BKC	✓
CS	✓		DY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
ALL	✓		SHI	✓
YE	✓			



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
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 Bithoor Road,
Village Chaudharipur,
Billhore, Kanpur Dehat - 209 203

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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NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the members of RAGHUNATH INTERNATIONAL LIMITED will be held on Tuesday, the 30th September, 1997 at 1.30 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, 1997 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. Sri Prakash Agrawal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to 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 a Special Resolution :
"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered as under :
The following Sub Clauses 6 and 7 be added/inserted after the existing Clause III (A) 5 :
6. To carry on any business or businesses of manufacturers, exporters, importers, commission agents, brokers, middlemen, purchasers, sellers, traders, dealers, stockists, consigners, consignees, suppliers and contractors of all kinds of goods, machineries and equipments, industrial and other preparations and articles and all other goods, produces, articles, commodities or merchandises either in raw, semi-finished or finished, condition, of whatsoever kind or nature manufactured, produced, fabricated or mined in India or any where in the world.
7. To act as representatives, agents, sub-agents, commission agents, brokers, consultants, middlemen of Indian and Foreign Companies, Firms, Persons, States and other Bodies Corporate and to act as sales/purchase representatives, general brokers, and to render services of maintaining equipments and goods supplied by the principals."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :
"RESOLVED THAT in accordance with the provisions of Section 149 (2A) of the Companies Act, 1956, the Company hereby approves the commencement of all such new businesses as have been incorporated in Sub-clauses 4 to 7 of the Memorandum of Association of the Company as amended."

By Order of the Board

Place : Kanpur

Date : August 20, 1997

(JAI PRAKASH AGRAWAL)
Managing Director

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



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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 Nos. 4 and 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 September 16, 1997 to Tuesday, the September 30, 1997 (both days inclusive).
5. The Company intends to make the transportation arrangements for the Members for attending the above Meeting, if requested.
6. The Company w. e. f. 1st March, 1997, has made inhouse arrangements for Share Transfer work. The Members are, therefore, requested to make all correspondence at the following address :

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

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 Agency and like nature businesses, it is necessary to amend the Main Objects 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 this Section, prior approval of the Members by way of Special Resolution is required. The Board of Directors of the Company recommend the Special Resolution contained at Item No. 4 of the accompanying Notice for your approval.

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

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

ITEM NO. 5

Consequent upon the alteration of the Objects Clause of the Memorandum of Association for the enlargement of the business activities of your Company, mentioned at Sub-clauses 4 and 5 of the Memorandum of Association, as approved by the members of the Company at their meeting held on November 6, 1995 and confirmed by the Company Law Board, and Sub-clauses 6 and 7 as envisaged in the said special resolution under Item No. 5 of the Accompanying Notice. Your approval to the proposed Special Resolution under this item is necessary pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956 to commence the new business activities as stated therein.

The Board of Directors of the Company recommend the Special Resolution contained at Item No. 5 of the accompanying Notice for your approval.

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

By Order of the Board

(JAI PRAKASH AGRAWAL)

Managing Director

Place : Kanpur

Date : August 20, 1997

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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are presenting their Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 1997.

FINANCIAL HIGHLIGHTS

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

	Year ended 31.3.1997	(Rs. in Lacs) Year ended 31.3.1996
Sales and Other Income	515.53	785.62
Profit before Interest and Depreciation	32.90	25.84
Interest	25.49	14.65
Depreciation	4.76	3.73
Profit for the year	2.65	7.70
Prior Period Expenditure	0.12	0.24
Income Tax for the year	0.34	-
Income Tax for 1994-95	0.73	-
Profit Brought Forward	7.31	2.35
Amount Available for Appropriation	8.77	9.81
Appropriations :		
Transfer to General Reserves	1.00	2.50
Surplus carried to Balance Sheet	7.77	7.31

OPERATIONS

During the year under review, your Directors have made their endeavour in establishing the market for the Company's Product namely Pan Masala, Gutkha and Mouth Freshner under the Brand name "SIR" and Gutkha under the Brand names "CURRENT" and "JACKIE". Your Directors expect better Turnover and Profitability during the Current year. Considering the low profitability during the year, the Board recommend for skip of dividend for this year.

PROMISES VERSUS PERFORMANCE

The Turnover, PBDIT and PAT for the year is Rs. 515.53 Lacs, Rs. 32.90 Lacs and Rs. 1.46 Lacs respectively as against projected figures of Rs. 6,729.23 Lacs, Rs. 956.50 Lacs and Rs. 443.06 Lacs respectively made in the Prospectus.

The Company could not achieve its targets as envisaged in offer documents due to stiff competition in the market. However, during the Current year, your Company has also launched other Gutkha under brand names "CURRENT" and "JACKIE". Keeping in view the above measures taken by the management, your Company expect to achieve fairly better turnover as well as profitability during the Current Year.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the



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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 earned total Foreign Exchange of Rs. 36.63 Lacs and spent Foreign Exchange of Rs. 72.19 Lacs.

DIRECTORS

During the Current Year, Mr. Vikas Singhania has resigned from the Directorship of the Company. The Board places on record its appreciation of the valuable services rendered by him during his tenure of Directorship of the Company.

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Mr. Sri 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.

PARTICULARS OF EMPLOYEES

As required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 1988, 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.

REGISTERED OFFICE

With the approval of the Company Law Board, the Company has shifted its Registered Office from G-22, Lajpat Nagar, Phase-III, New Delhi - 110 024 to Mandhana Bithoor Road, Village Chaudharipur, Billhore, Kanpur Dehat-209 203 w. e. f. 16th July, 1997.

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

OM PRAKASH AGRAWAL
Chairman

Place : Kanpur
Dated : August 20, 1997

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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 :

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 names "SIR", "CURRENT", and "JACKIE".
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

Place : Kanpur
Dated : August 20, 1997

OM PRAKASH AGRAWAL
Chairman

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, 1997.

Sl. No.	Name	Age (Years)	Designation	Quali- fication	Total Remuneration (Rs.)	Experi- ence (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	35	Managing Director	B.Com.	3,00,000	17	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 : NIL

Note : Appointment of Mr. Jai Prakash Agrawal is on contractual basis .

For and on behalf of the Board

Place : Kanpur
Dated : August 20, 1997

OM PRAKASH AGRAWAL
Chairman



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, 1997 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 (6) 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, 1997; and
- ii) In case of Profit and Loss Account of the profits for the year ended 31st March, 1997.

For KUMAR PIYUSH & CO.
Chartered Accountants

Place : Kanpur
Date : August 20, 1997

KAMAL PIYUSH
Partner

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 materials lying with consignees and goods-in-transit, which have been confirmed.
4. The 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. The 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.