

23RD

ANNUAL

REPORT

1998-99

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BHATINDA
CHEMICALS
LIMITED

BHATINDA CHEMICALS LIMITED**BOARD OF DIRECTORS**

Shri D.D.Mittal
Chairman

Shri Rajinder Mittal
Managing Director

Shri Vinod Mittal
Shri Rajan Sekhariya

Shri A.K.Sood
(Nominee of PSIDC)

AUDITORS

M/S P.Mittal & Co.
Chartered Accountants
Mital Street, Amrik Singh Road,
Bathinda.-151 005

INTERNAL AUDITORS

M/S N.K. Nevatia & Co.
Chartered Accountants
710, Shakti Nagar,
Amrik Singh Road,
Bathinda. - 151 005

MAIN BANKERS

Punjab National Bank,
Bank Street,
Bathinda-151 001

REGISTERED OFFICE & WORKS

Hazi Rattan Link Road,
Post Box No. 71,
Bathinda-151 001

BRANCH OFFICE

Rishi Apartments,
4, Battery Lane, Rajpur Road,
Delhi-110 054

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BHATINDA CHEMICALS LIMITED



REGD. OFF : HAZI RATTAN LINK ROAD,
P.B. NO.71,
BATHINDA, PUNJAB.

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Bhatinda Chemicals Limited, Bathinda, will be held on Thursday, the 30th September, 1999 at 2.30 P.M. at the Regd. Office of the Company at Hazi Rattan Link Road, Bathinda (Punjab) to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date together with Reports of Directors & Auditors thereon.
2. To appoint a Director in place of Sh. D.D. Mittal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint statutory Auditors and to fix their remuneration.

Place: Bathinda**Dated: 20th July, 1999****By order of the Board.**

Rajinder Mittal
Managing Director

NOTES :

1. As per section 176(1) of the Companies Act, 1956, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company. The proxies to be valid must be deposited at Company's Registered office at least 48 hours before the time fixed for the meeting.
2. The Register of members and share transfer books of the Company will remain closed from 28th Sept. 1999 to 30th Sept. 1999 (Both days inclusive).
3. Members are requested to produce the enclosed Attendance slip duly signed, in accordance with specimen signatures registered with the Company for admission to the meeting hall.
4. Members are requested to send all their queries on Accounts and operations of the Company at least ten days before the meeting so that the reply may be kept available.

Place: Bathinda**Dated: 20th July, 1999****By order of the Board.**

Rajinder Mittal
Managing Director

BHATINDA CHEMICALS LIMITED**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their 23rd Annual Report and Audited Accounts of your Company for the financial year ended 31st March, 1999.

FINANCIAL RESULTS

The main financial highlights of the Company are as follows :-

(Rupees in Lacs)

	1998-99	1997-98
Turnover	15709.64	11354.22
Profit before Depreciation and Tax	174.85	144.67
Less :		
Depreciation	122.57	106.78
Tax provision	20.50	8.50
Profit after Depreciation and Tax	31.78	29.39
Add:		
Balance brought forward from previous year	89.64	65.56
	121.42	94.95
Less:		
Income Tax of earlier years	0.64	3.37
Previous Year adjustment	1.35	1.94
Available for Appropriation	119.43	89.64
APPROPRIATIONS		
Transferred to General Reserve	100.00	—
Balance carried to Balance Sheet	19.43	89.64
	119.43	89.64

PERFORMANCE REVIEW

The Company is able to achieve a turnover of Rs.15709.64 lacs as compared to Rs.11354.22 lacs in the last year. As such, there is an increase of 38.36% in the turnover even in adverse market conditions. The agro based Industry faced a lot of problems throughout the country due to adverse climatic circumstances and the deterioration in the quality of agricultural produce. A number of Vanaspati Units and Oil Refinery Factories have closed their business due to heavy slump in the industry. Your Company has to face tough competition with the other Units of adjoining States due to difference in the Sales-tax rates. The Company is able to earn a net Profit of Rs.31.78 lacs (after taxes) as compared to the last year figure of Rs.29.39 lacs inspite of the fact that the Company had to compete with the adverse market circumstances by managing efficiently & effectively with the resources at its disposal.

BHATINDA CHEMICALS LIMITED**DIVIDEND**

Keeping in view the meagre profits and working capital requirements, your Directors do not recommend any dividend for this year.

PERSONNEL

Your Directors wish to place on record the excellent co-operation extended by the employees at all levels in achieving the objectives of the Company. Statement under Section 217(2A) is not applicable as none of the employees was paid remuneration of more than Rs.6.00 lacs per annum or Rs.50,000/- per month.

DIRECTORS

Shri D. D. Mittal retires from office by rotation in accordance with Section 255 & 256 of the Companies Act, 1956, and being eligible offers himself for re-election.

AUDITORS

M/s. P. Mittal & co., Chartered Accountants, Statutory Auditors of the Company, retired at the conclusion of the 23rd Annual General Meeting and being eligible offer themselves for re-appointment. Their appointment as statutory auditors of the Company may be considered.

AUDITORS' REPORT

The observations of the Auditors and notes on accounts are self explanatory and as such need no further explanation.

PUBLIC DEPOSITS

During the year the company has not accepted any fixed deposits from the public under Section 58-A of the Companies Act, 1956.

ENERGY CONSERVATION, IN AND OUTGO OF FOREIGN EXCHANGE

Particulars with respect to conservation of energy and technology absorption as required by Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 1999, are annexed to this report.

APPRECIATION

Your Directors wish to place on record their gratitude to Punjab State Industrial Development Corporation Ltd., Punjab National Bank, Shareholders, Customers, Suppliers and other Government Authorities for their valuable and continued co-operation and assistance.

Place : Bathinda
Dated : 20th July, 1999

for and on behalf of the
Board of Directors

D.D.MITTAL
(Chariman)

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 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. The management has confirmed that some of the fixed assets have been physically verified and we are informed that the discrepancies noted have not been significant.
2. The Company has not revalued any fixed assets during the current year.
3. According to the information and explanations given to us, the physical verification has been conducted by the management during the year/or at the end of the year in respect of finished goods, raw material, stores & spares and packing material.
4. In our opinion and according to information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
5. According to the information and explanations given to us, the discrepancies noticed on verification between physical stocks and books were not material.
6. In our opinion the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
7. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and to the Companies under the same management as defined under sub-section (1B) of Section 370 of the said Act, where the rate of interest and other terms and conditions of such loans are prima-facie prejudicial to the interests of the Company.
9. According to the information and explanations given to us, the advances in the nature of loans have been given to the employees without interest and they are regular in payment of loans.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipments and other assets as also for the sale of goods.

**BHATINDA CHEMICALS LIMITED**

11. According to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
12. As explained to us, no unserviceable or damaged stores, raw materials or finished goods have been determined at the time of annual stock taking and discrepancies being insignificant have been dealt with in the books of accounts.
13. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public.
14. In our opinion the Company is maintaining reasonable records for the sale and disposal of realisable by-products and scrap, wherever applicable.
15. The Company has appointed a Firm of Chartered Accountants to do the internal audit periodically. The internal audit system is commensurate with the size and nature of the business of the Company.
16. As informed by the management, the Company has maintained Cost Records prescribed by the Central Govt. U/s 209 (i) (d) of the Companies Act, 1956 in respect of Vanaspati.
17. According to the records of the Company, Provident Fund dues and Employees State Insurance dues have generally been regularly deposited with appropriate authorities.
18. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs Duty and Excise Duty outstanding as at last day of the year concerned for a period of more than six months from the date they became payable.
19. During our examination of books, no personal expenses came to our notice which are charged to revenue accounts.
20. The Company is not a Sick Industrial Company within the meaning of clause (O) of sub-section (1) of section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Place : Bathinda
Dated : 20th July, 1999.

For P. Mittal & Co.
Chartered Accountants

(Parmod Mittal) FCA
Prop.