

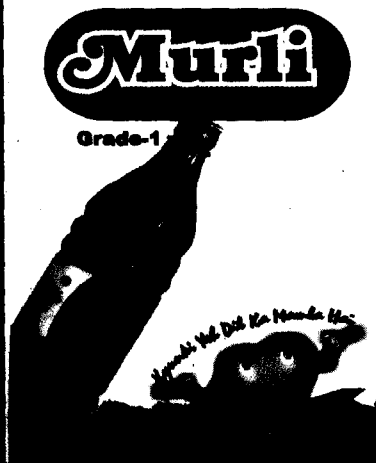
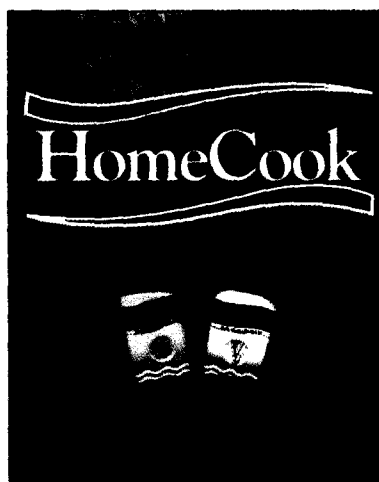
27th

Annual Report

2002-2003



Report Junction.com



BHATINDA CHEMICALS LIMITED

HAZI RATTAN LINK ROAD, BATHINDA (PUNJAB) - 151 005 Phone : 2240163, 2211628



BHATINDA CHEMICALS LIMITED

BOARD OF DIRECTORS

Shri D. D. Mittal
Chairman

Shri Rajinder Mittal
Managing Director

Shri Vinod Mittal
Whole-time Director

Shri Rajan Skharia
Director

Shri Krishan Bansal
Director

Shri V. K. Nayyar
Addl. Director

COMPANY SECRETARY
Shri Anil Kumar Malhan

AUDITORS
M/s. P. Mittal & Co.,
Chartered Accountants,
Mittal 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.

**BHATINDA CHEMICALS LIMITED****NOTICE**

Notice is hereby given that the 27th Annual General Meeting of the members of Bhatinda Chemicals Limited, will be held on Tuesday, the 28th October, 2003 at 2.30 P.M. at the Regd. Office of the Company at Hazi Rattan Link Road, P.B.No.71, Bathinda (Punjab) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri D. D. Mittal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Krishan Bansal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To Consider and, if thought fit, to pass with or without modification the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 163(1) of the Companies Act, 1956, the Register of Members, Index of Members and all copies of certificates and documents required to be annexed thereto be kept at our Registrar and Share transfer agents, M/s. Intime Spectrum Registry Agency, New Delhi.

6. To Consider and, if thought fit, to pass with or without modification the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in modification of the Special Resolution passed by the Members at the Annual General Meeting of the Company held on 30th September, 2002 and subject to the provisions of Section 61 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to delist the Company's Equity Shares from the Calcutta Stock Exchange at Calcutta.



BHATINDA CHEMICALS LIMITED

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with the legal and/or procedural formalities, including authorizing any Director of the Company to do all such acts, deeds or things to give effect to the above. "

7. To Consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

"Resolved that Shri V. K. Nayyar, who was appointed as Additional Director of the Company by the Board of Directors and in respect of whom the Company has received a notice in writing alongwith necessary deposit as required under the provisions of Section 257 of the Companies Act, 1956 from a member proposing him as a candidate for the office of Director, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

Place : Bathinda,

Date : 25th Sept., 2003

By order of the Board.

(Rajinder Mittal)
Managing Director

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BHATINDA CHEMICALS LIMITED

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of members and share transfer books of the Company will remain closed from 20th October, 2003 to 22nd October, 2003 (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 desiring any information as regards to the accounts are requested to write to the Company at least 10 days before the date of the meeting so as to enable the management to provide the information during the Annual General Meeting.
5. The Explanatory Statement as required under section 173(2) of the Companies Act, 1956 in respect of items no.5,6 & 7 is annexed hereto.

Place : Bathinda,
Date : 25th Sept., 2003

By order of the Board

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Rajinder Mittal)
Managing Director

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5.**

The Share Transfers and other activities related to the share department was handled in house by your Company. Pursuant to the SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 activities relating to the physical transfer of shares and the electronic transfer shall be handled either in house or delegated to the Share transfer agent. Your Company considered the alternatives and found it financially prudent to delegate the work to the share transfer agents.

Consequently M/s. Intime Spectrum Registry Agency, New Delhi was appointed as share transfer agents.

Hence all the statutory books like Register of Members, Index of the members have to be kept at their office. As per Section 163(1) of the Companies Act, 1956, this requires the approval of the shareholders.

The Board of Directors recommend this resolution for your approval.

None of the Directors are interested in this resolution.

**BHATINDA CHEMICALS LIMITED****ITEM NO. 6.**

Presently, the Company's Equity Shares are listed on Ludhiana, Delhi, Mumbai & Calcutta Stock Exchanges. Consequently upon the resolution passed by the Members at the Annual General Meeting of the Company held on 30th September, 2002 for de-listing the Company's Equity Shares from Jaipur & Calcutta Stock Exchanges, the Company made applications to the said Stock Exchanges for de-listing. Whilst Jaipur Stock Exchange Limited has de-listed the Company's Equity Shares, the Calcutta Stock Exchange is in the process of de-listing the same. Meanwhile, Securities & Exchange Board of India has, vide the SEBI (de-listing of Securities) Guidelines issued in February, 2003 done away with the requirement of offering exit option to the members situated in the regions of the Stock Exchanges from which a Company's securities are proposed to be de-listed. Pursuant to the said de-listing Guidelines and as a good corporate governance practice, it is now proposed to seek the approval of the Members for de-listing of the Equity Shares of the Company from the Calcutta Stock Exchange as the trading volume of the Equity Shares on this Stock Exchange have been negligible during the past few years. The listing fees paid to the said Stock Exchange does not offer commensurate benefits to the Company / its investors. The Board of Directors at its meeting held on 6th August, 2003 has therefore decided to apply for the voluntary de-listing of the Company's Equity Shares from the said Stock Exchange. The proposed voluntary de-listing of Equity Shares from the said Stock Exchange will not adversely affect any investors including the members located in the region of said Stock Exchange. It is now proposed to seek the Members' approval by way of a Special Resolution for voluntary de-listing of the Company Equity Shares from the said Stock Exchange as set out in the resolution at Item No. 7.

The proposed de-listing is in the interest of the Company and Board commends the Resolution for acceptance by the Members. None of the directors of the Company is concerned or interested in the Resolution at Item No. 7.

ITEM NO. 7.

Shri V. K. Nayyar was appointed as Additional Director pursuant to Section 260 of the Companies Act, 1956 by the Board of Directors of the Company in its meeting held on 1st October, 2002. He holds the office as Additional Director upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member proposing the candidature of Shri V. K. Nayyar for the office of Director of the Company under section 257 of the Companies Act, 1956. Sh. V. K. Nayyar is having wide experience in Vanaspati Industry and it will be in the interest of the Company, if he is appointed as a Director of the Company.

None of the Directors except Shri V. K. Nayyar is interested in the resolution.

Place : Bathinda,
Date : 25th Sept., 2003

By order of the Board

(Rajinder Mittal)
Managing Director



BHATINDA CHEMICALS LIMITED

DIRECTORS' REPORT

To
The Members of Bhatinda Chemicals Limited

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2003. We trust you will find the performance of your Company satisfactory, specially in the context of Changes which have taken place due to globalization of Indian economy and liberalization of Import Policies.

FINANCIAL RESULTS

The financial highlights are as follows :-

	(Rupees in Lacs)	
	2002-2003	2001-2002
Profit before Interest, Depreciation and Tax	350.49	260.95
Less :		
Interest	83.66	81.99
Depreciation	<u>166.10</u>	<u>140.32</u>
	100.73	38.64
Less : Provision for Taxation	25.00	15.50
Profit after Tax	75.73	23.14
Add : Balance brought forward from previous year	<u>108.87</u>	<u>76.52</u>
	184.60	99.66
Add/Less : Previous year Adjustment including taxes	(2.52)	1.89
Deferred Tax	(13.36)	7.32
Available for appropriation	<u>168.72</u>	<u>108.87</u>

APPROPRIATIONS

Transferred to General Reserve	100.00	—
Balance carried to Balance Sheet	<u>68.72</u>	<u>108.87</u>
	<u>168.72</u>	<u>108.87</u>

PERFORMANCE REVIEW

During the year under review your Company's operations came under severe/various pressures caused by excessive import of finished products and other substitutes available at cheaper prices in the market, increase in power tariff, fuel, excessive exchange rate fluctuations and recessionary trends in the Industry etc. Despite these pressures your Company adjusted to this situation and achieved the turnover of Rs. 276.37 Crores as against Rs.166.23 Crores during the preceding financial year which is higher by 66.25% by managing efficiently and effectively with the resources at its disposal, inspite of the fact that the company had to compete with the adverse market circumstances.

**BHATINDA CHEMICALS LIMITED****DIVIDEND**

Considering Cash Flow Constraints and need to conserve the resources of the Company for the future requirements, your Directors have decided not to recommend dividend on the equity shares.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. D. D. Mittal and Mr. Krishan Bansal are liable to retire by rotation and are eligible for re-appointment. During the year under review, Mr. J.S. Gujral, resigned from the Board of Directors of the Company. The Board places on record its appreciation for the services rendered by him during his tenure as a Director of the company.

CORPORATE GOVERNANCE REPORT

Your Company is committed to follow a system of Corporate Governance which ensures transparency fairness, independence, accountability, integrity and social responsibility. The Company has been following the Regulatory Compliance with strong emphasis on Corporate Governance to protect investors interests in letter and spirit. A separate report on Corporate Governance is annexed as part of the Annual Report. The Auditors' Certificate conforming compliance of provisions of Corporate Governance is also included in the said Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed that:

- (i) In the preparation of the annual accounts the applicable accounting standards have been followed;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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) The 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 deducting fraud and other irregularities;
- (iv) The Directors have prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

LISTING OF EQUITY SHARES

The equity shares of the company continue to be listed at Ludhiana (Regional), Delhi, Mumbai & Calcutta Stock Exchanges and listing fee for the year 2003-2004 have been paid to each of the said Stock Exchanges.

**BHATINDA CHEMICALS LIMITED****INDUSTRIAL RELATIONS**

During the year under review the Industrial Relations of the Company remained very cordial through out the year. Your Directors wish to place on record the services rendered by the employees at all levels.

PARTICULARS OF EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1985 are not applicable as, there was no employee in the company during the year under review, drawing remuneration more than the amount specified in the terms of section 217 (2A) of the Companies Act 1956.

AUDITORS

M/s. P. Mittal & Co., Chartered Accountants, the Statutory Auditors of the Company, will hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

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

COST AUDIT

The Board of Directors have re-appointed M/s Khushwinder Kumar & Associates, Cost Accountants, Jalandhar as the Cost Auditors of the Company under section 233B of the Companies Act, 1956 subject to the approval of the Central Government for the year 2003-2004. The Cost Auditor's report will be forwarded to the Central Government as required under law.

PUBLIC DEPOSITS

During the year the Company has not accepted fixed deposits from the public under Section 58-A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 with respect to energy conservation, technology absorption and foreign exchange earnings & outgo are forming part of the Directors Report for the year ended 31st March, 2003, are annexed hereto and forms part of this report.

APPRECIATION

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

Place : Bathinda,
Date : 25th Sept., 2003

for and on behalf of the Board of Directors

(D.D. MITTAL)
Chairman

**BHATINDA CHEMICALS LIMITED****ANNEXURE TO THE DIRECTORS' REPORT**

Particulars as required under Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988.

A) CONSERVATION OF ENERGY

The Company continues to give specific emphasis on energy conservation. No additional investment is made.

FORM 'A'

Form for disclosure of particulars of conservation of energy :-

1) POWER AND FUEL CONSUMPTION

i) ELECTRICITY	2003	2002
a) Purchased		
Units	10844830	9604940
Total Amount	41580262	32953102
Rate/Unit	3.83	3.43
b) Own Generation through Diesel/R.F.O. Generator		
Units	1493870	1839760
Total Amount	5467593	5732834
Rate/Unit	3.66	3.12
ii) COAL (Used in Boiler):		
Quantity (In M.Ts.)	—	—
Total Cost	—	—
Average Rate PMT	—	—
iii) FURNACE OIL :		
Quantity (In Litres)	—	—
Total Cost	—	—
Average Rate Per Litre	—	—
iv) OTHERS		
Rice Husk/R.F.O.:	Total Cost	
	20134685	20959300

2) CONSUMPTION PER UNIT OF PRODUCTION

Standard (if any)
2003 (In Qtl.) **2002 (In Qtl.)**

PRODUCTION

Oils	473313	368798
Vanaspati	284645	211684
Rice	295568	241797

CONSUMPTION (PER QTL OF PRODUCTION)

Electricity (Units)	11.71	13.92
Coal (Qtls)	—	—
Furnace Oil (In Litres)	—	—