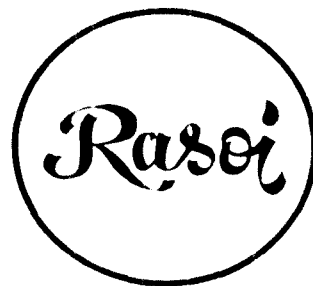


*HUNDREDTH
ANNUAL
REPORT
2003 - 2004*

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Rasoi Limited



Annual Report 2003-2004

BOARD OF DIRECTORS

RAGHU MODY
SHASHI MODY
KAPIL KAUL
MANISH LOHIA
A C CHAKRABORTTI
SUDHIR JALAN
N G KHAITAN
R S VAIDYANATHAN

CHAIRMAN

VICE-CHAIRPERSON

DIRECTOR CORPORATE AFFAIRS

DIRECTOR FINANCE

COMPANY SECRETARY

S SUBRAMANIAN

AUDITORS

LODHA & COMPANY

BANKERS

ALLAHABAD BANK
GLOBAL TRUST BANK

SOLICITORS

KHAITAN & COMPANY

REGISTERED OFFICE

RASOI COURT
20, SIR R N MUKHERJEE ROAD
KOLKATA - 700 001
PHONE : 033 2248 0114/5
FAX : 033 2248 1200
e-mail : rasoiro@vsnl.net

EQUITY SHARES LISTED ON

CALCUTTA, MUMBAI AND DELHI STOCK EXCHANGE

REGISTRAR & SHARE TRANSFER AGENT

C B MANAGEMENT SERVICES(PVT)LTD
P-22 BONDEL ROAD, KOLKATA - 700019.
PHONE : 033 2248 6692/93/95/2486/2937
FAX : 033 2247 0263
Email-cbmsl1@cal2.vsnl.net.in

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NOTICE is hereby given that the Hundredth Annual General Meeting of the Members of Rasoi Limited will be held on Wednesday, the 29th day of September, 2004 at 4.00. p.m. at Kalakunj (Kalamandir Basement), 48 Shakespeare Sarani, Kolkata 700 017, to transact the following business.

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the financial year ended 31st March 2004 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Shri R N Mody, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Sudhir Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s), the following Resolution, as an Ordinary Resolution
 "RESOLVED THAT Shri R S Vaidyanathan, be and is hereby appointed as a Director of the company, liable to retire by rotation".

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 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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 2004 to Wednesday, 29th September, 2004 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be distributed again at the Meeting.
5. Members seeking any information with regard to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holding in electronic form and to C B Management Services Pvt Ltd, P-22 Bondel Road, Kolkata 700019 in respect of their physical share folios, if any.
7. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.



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9. Members holding shares in electronic form may kindly note that their Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories, and that the Company will not entertain any direct request from such members for deletion or/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form. Members may, therefore, give instructions regarding Bank accounts in which they wish to receive dividend, directly to their Depository Participants.
10. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 dividends which remain Unpaid/Unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 1998 or any subsequent financial years are requested to make their claim to C B Management Services Pvt Ltd. Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts transferred to IEPF.

Registered Office :

Rasoi Court
20 Sir R N Mukherjee Road
KOLKATA 700 001
Date : 8th May 2004

By Order of the Board

S SUBRAMANIAN
Company Secretary



EXPLANATORY STATEMENT UNDER SEC 173(2) OF THE COMPANIES ACT 1956

ITEM NO 6

Shri R S Vaidyanathan was appointed as an Additional Director at the meeting of the Board of Directors held on 28th October 2003 in terms of Section 260 of the Companies Act 1956 and Article 83 of the Articles of Association of the Company.

As per Sec 260 of the Companies Act 1956 and as per the Articles of Association of the Company Shri R S Vaidyanathan will be holding the office as Director only up to the date of this meeting. His candidature for Directorship of the Company has been proposed by a shareholder pursuant to Section 257 of the Companies Act, 1956 alongwith a deposit of Rs.500/-. The Board considers that the Company will benefit from the association of Shri R S Vaidyanathan and recommends the resolution for your approval.

Except Shri R S Vaidyanathan, no other Director is, in any way, concerned or interested in this resolution.

Registered Office :

Rasoi Court
20 Sir R N Mukherjee Road
KOLKATA 700 001
Date : 8th May 2004

By Order of the Board

S SUBRAMANIAN
Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Hundredth Annual Report and Audited Accounts for the year ended 31st March 2004.

FINANCIAL HIGHLIGHTS:

	(Rs in Lacs.)	
	31 st March, 2004	31 st March, 2003
Production (in Mt)	37,038	25,228
Sales and Other Income/Receipts	16,256	10,927
Profit before Interest		
Depreciation & Taxation	716	337
Interest	(115)	(90)
Depreciation	(144)	(122)
Profit before Taxation	457	125
Provision for Taxation	34	10
Provision for Deferred Tax	91	34
Profit after Tax	332	81
Add : Excess Tax Provision Written Back	—	3
Add : Balance Brought Forward from Last Account	199	293
Profit Available for Appropriation	531	250

APPROPRIATIONS

Proposed Dividend	36	36
Corporate Dividend Tax	4	5
Transfer to General Reserve	30	10
Balance carried to Balance Sheet	461	199
	531	250

DIVIDEND

Taking into account the performance of the Company, the Board has recommended dividend of Rs 2/- per share for the year ended 31st March, 2004.

RESERVES AND SURPLUS

The Balance in Reserves and Surplus stands at Rs 1313.05 Lacs (Previous Year Rs 1021.70 Lacs) after the appropriation as mentioned above.

OPERATIONS

During the year under review your company recorded a total production of 37038 MT as compared to 25228 MT recording an increase of 46.81%. The turnover also increased by 53.34% from Rs 102.68 Crores to Rs 157.45 Crores.

As a first step of diversification your company introduced Rice Bran Oil which has been well received by the consumers.

The Vanaspati Industry in Eastern India has been going through a very difficult phase during the past couple of years due to the dumping of Nepalese Vanaspati. The Indo-Nepal Treaty which was renewed in 2002 brought in quantitative restriction in the import of Vanaspati from Nepal by canalising the import through the Central Warehousing Corporation (CWC). During the current year State Trading Corporation of India has been made the canalized agent for importing Nepalese Vanaspati in place of Central Warehousing Corporation. Huge quantities of Nepalese vanaspati was imported during the months of November/December 2003 onwards. Since the vanaspati factories of Eastern India were unable to compete against this unabated import of Nepalese Vanaspati through State Trading Corporation of India, a representation was made before the Government of West Bengal who had kindly levied 20% Sales Tax on Vanaspati imported from outside India.

However, this is also not restraining the import. May be Government of

West Bengal can think levying Entry Tax @ 20% on Vanaspati imported from outside India. So that the collection of tax is there as soon as the vanaspati is entered into West Bengal – there will be no escape from the levy of tax.

The present custom duty on our Crude Oil is 65% - 70%, whereas the duty on import of vanaspati has been kept at 20%. As a result many big consumer of Vanaspati have now started importing vanaspati directly from Malaysia/Indonesia. As a result, your industry has to compete with (i) Zero duty imported vanaspati from Nepal/Sri Lanka (ii) Vanaspati imported at 20% duty from other countries. This is leading to shrinkage of market & margins. Further, new factories of daily refining capacity of 10,000 MT are being set up in Kutch area, which has been declared as excise & sales tax exempted. As a result, the Indian oil market will witness further stiff competition from these units in the coming days.

The Industry has been making representations both to the Central and State Government for a level playing field including (a) reduction of customs duty on Crude Palm Oil for manufacture of Vanaspati and (b) levy additional duty on imported Vanaspati and ensuring its equitable distribution throughout India.

While it may seem that there are many difficulties as enumerated above, but your company is confident that in this day and age of mass consumerism – Brand Equity is the key to success in the market place. The management is drawing up plans to exploit the strength of RASOI brand in the market in the coming years, which will help the company to tide over the difficult times.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, is annexed hereto forming part of this report.

FOREIGN EXCHANGE EARNINGS & OUTGO

During the year your Company earned foreign exchange amounting to Rs 17.69 Lacs (Previous Year Rs 20.14 Lacs) on account of Recovery of Insurance. Your Company also incurred an expenditure of Rs 2.13 Lacs (Previous Year Rs 7.56 Lacs) in foreign exchange during the year.

COST AUDITORS

The Central Government has directed your company, pursuant to the provisions of Section 233B of the Companies Act, 1956 to carry out an audit of the Company's cost accounts relating to Vanaspati Products. Accordingly, your Directors have approved the appointment of Shri P Basak, a qualified Cost Accountant, to conduct the audit for the year ending 31st March, 2005.

SECRETARIAL COMPLIANCE CERTIFICATE

As required under Section 383A of the Companies Act, 1956, Secretarial Compliance Report for the financial year 2003-2004 is annexed forming part of this Report.

PUBLIC DEPOSITS

The Company has not accepted any deposit during the year under review.

PERSONNEL

During the year, there were no employees in respect of whom information as per Sec 217 (2A) of the Companies Act, 1956 is required to be annexed with this report.

DIRECTORS

In terms of the provisions of the Articles of Association, Shri Raghu Mody and Shri Sudhir Jalan, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Prof M M Chakrabarty resigned as a Director of your company with effect



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from 31st July 2003. The Board accepted with regret the resignation of Prof Chakrabarty and placed on record its appreciation for his efficient and matured advice during the tenure of his office as a Director of the Company.

Shri R S Vaidyanathan, was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 28th October 2003. Shri Vaidyanathan holds office upto the date of the ensuing Annual General Meeting. Notice has been received from a member pursuant to Sec 257 of the Companies Act, 1956, proposing the appointment of Shri R S Vaidyanathan, as a Director of the Company in the ensuing Annual General Meeting.

AUDITORS' REPORT

The observations made by the Auditors in their Report is self explanatory and has been further clarified in Schedule S to the Accounts.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given;
- ii) That they have selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for that period;

- iii) That they 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 your Company and for preventing and detecting fraud and other irregularities;
- iv) That they have prepared the annual accounts on a going concern basis.

AUDITORS

M/s Lodha & Co., retire as auditors of the Company and, being eligible, offer themselves for reappointment.

LISTING ARRANGEMENTS

The Company's shares are listed on the Calcutta, Mumbai and Delhi Stock Exchanges. The Annual Listing Fees in respect of all the exchanges have been paid up to date. The Company has applied for delisting of shares from the Delhi Stock Exchange.

ACKNOWLEDGEMENTS

The Directors gratefully acknowledge the support given by all the employees, shareholders and bankers and they look forward for their continued support.

SUBSIDIARY COMPANY

The Statement as required under Section 212 of the Companies Act, 1956 is attached.

Kolkata
the 8th day of May, 2004

On behalf of the Board of Directors
RAGHU MODY
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2004

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

Conservation of Energy & Technology Absorption

	Current Year	Previous Year
(A) Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Unit('000)	6,548	5,029
Total Amount (Rs./Lacs)	269.65	140.50
Rate/Unit (Rs.)	4.11	2.79
(b) Own generation		
Through Diesel Generator		
Unit('000)	47	35
Units per Ltr. Of Diesel Oil	2.32	1.96
Cost/ Units (Rs.)	9.22	9.24
2 Coal		
Quantity (M/T)	8,765	6,140
Total Cost (Rs./Lacs)	196.85	126.19
Avg. Rate (Rs.)	2,246	2,055
3 Furnace Oil	Nil	Nil
4 Other / Internal Generation	Nil	Nil
(B) Consumption per Unit of Production		
Electricity (in Units)	178	201
Furnace Oil (in Ltrs)	Nil	Nil
Coal (in Kgs.)	237	243

Technology Absorption

The Company has not made use of any imported technology for its products.

However, the Company has been using process technologies developed in-house for processing of Rice Bran Oil economically and for its Special Custom made products for the Bakeries and Margarine Industry.



SECRETARIAL COMPLIANCE CERTIFICATE

To
The Members
M/s. Rasoi Ltd
20, Sir R N Mukherjee Road
Kolkata 700001

Authorised Capital Rs.4.00 Crores
Paid Up Capital Rs.1.80 Crores
Registration No.21-01594

This is to certify that the Company has maintained books, records and registers as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2004 (financial year).

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 5 (five) times respectively on 23.06.03, 31.07.03, 24.09.03, 28.10.03 and 30.01.04 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 19.09.03 to 29.09.03 during the financial year and duly complied the provisions of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2003 was held on 29th September, 2003 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra Ordinary Meeting(s) was/were held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has issued duplicate certificates during the financial year and duly complied the provisions of the Act.
13. The Company has -
 - (i) Delivered all Certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) Deposited the amount of Dividend in a separate Bank Account on 03.10.03 which is within five days from the date of declaration of such dividend.
 - (iii) Paid/Posted warrants for dividend to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank on 04.11.03.
 - (iv) The Company has not transferred Unpaid dividend amount to Rs 56638.99 p, which have remained Unclaimed for a period of seven years to the Investor Education & Protection Fund, pending reconciliation at the banker's end. The Registrar of Companies has been informed of the same.
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year have been duly made.
15. The company has not appointed managing director/whole-time director/manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.



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21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loan falling within the purview of section 58A during the financial year.
24. The amount borrowed by the Company from Financial Institutions, Banks and others during the financial year are within the borrowing limits of the Company and that the necessary resolutions as per Section 293(1)(d) of the Act have been passed in the duly convened Annual General Meeting of the Company.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose during the financial year.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has altered the provisions of the memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employer's and employee's contribution towards Provident Fund with prescribed authorities during the financial year pursuant to Section 418 of the Act.

Place: Kolkata

Date : the 8th day of May, 2004

S Subramanian
Company Secretary
ACS - 9620

ANNEXURE 'A'

Registers as maintained by the Company

1. Register of Members u/s 150
2. Index of Members u/s 151
3. Register of Transfers
4. Register & Return u/s 163
5. Books of Accounts u/s 210.
6. Register of Directors, Managing Director & Secretary u/s 303.
7. Register of Directors' Shareholding u/s 307.
8. Register of Directors' Attendance
9. Minute Book of Directors & Members u/s 193.
10. Register of Contracts u/s 301.
11. Register of Loans & Investments u/s 372A.

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2004.

Sl	Form No/ Return	Filed u/s	For	Date of Filing
1.	Form No 8/13	125/135	Creation / Modification of Charge	17.04.2003
2.	Form 32	303(2)	Resignation of Director	25.08.2003
3.	Compliance Certificate	383A	The Financial Year ended 31 st March 2003	13.10.2003
4.	Balance Sheet	220	The Financial Year ended 31 st March 2003	13.10.2003
5.	Form 29/32	264/303(2)	Appointment of Additional Director	19.11.2003
6.	Form No 23	192/293/17/ 149(2-A) /163(1)	Registration of Resolution	04.11.2003
7.	Form 32	303(2)	Appointment of Director	15.10.2003
8.	Annual Return	161	The Financial Year ended 31 st March 2003	07.11.2003
9.	Form No 8/13	125/135	Creation / Modification of Charge	12.03.2004


Rasei Limited
Financial Statements
(Rs. In Lacs)

Particulars	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95
Operational Results										
Sales & Other Income	16,256	10,927	5,954	7,421	8,779	12,150	10,336	6,012	9,123	7,239
Gross Profit	601	247	158	162	320	252	164	144	264	210
Depreciation	144	122	44	44	43	43	41	39	45	46
Net Profit	457	125	114	118	277	209	123	105	219	164
Dividend	36	36	36	36	*45	45	45	45	36	30
Dividend %	20	20	20	20	*25	25	25	25	25	25
Transfer to General Reserve	30	10	10	10	20	15	10	10	109	97
*Interim Dividend										
We Owned										
Gross Block	<u>3,880</u>	<u>3,491</u>	<u>1,463</u>	<u>1,294</u>	<u>1,216</u>	<u>1,072</u>	<u>1,065</u>	<u>999</u>	<u>1,015</u>	<u>1,023</u>
Net Block	<u>2,974</u>	<u>2,725</u>	<u>814</u>	<u>688</u>	<u>647</u>	<u>537</u>	<u>548</u>	<u>520</u>	<u>556</u>	<u>569</u>
Capital Work-in progress	<u>354</u>	<u>69</u>	<u>1,481</u>	<u>350</u>	<u>6</u>	<u>22</u>	<u>28</u>	<u>1</u>	<u>—</u>	<u>2</u>
Investments	<u>245</u>	<u>252</u>	<u>258</u>	<u>301</u>	<u>258</u>	<u>249</u>	<u>250</u>	<u>251</u>	<u>269</u>	<u>275</u>
Current Assets, Loans & Advances	<u>2,333</u>	<u>1,576</u>	<u>901</u>	<u>1,765</u>	<u>2,352</u>	<u>2,045</u>	<u>2,054</u>	<u>1,975</u>	<u>1,613</u>	<u>1,635</u>
	<u>5,906</u>	<u>4,622</u>	<u>3,454</u>	<u>3,104</u>	<u>3,263</u>	<u>2,853</u>	<u>2,880</u>	<u>2,747</u>	<u>2,438</u>	<u>2,481</u>
We Owed										
Loans & Deposits	1,370	904	655	592	282	199	212	284	242	362
Current Liabilities & Provisions	<u>3,043</u>	<u>2,516</u>	<u>1,513</u>	<u>1,125</u>	<u>1,632</u>	<u>1,445</u>	<u>1,541</u>	<u>1,369</u>	<u>1,124</u>	<u>1,150</u>
	<u>4,413</u>	<u>3,420</u>	<u>2,168</u>	<u>1,717</u>	<u>1,914</u>	<u>1,644</u>	<u>1,753</u>	<u>1,653</u>	<u>1,366</u>	<u>1,512</u>
Net Worth	1,493	1,202	1,286	1,387	1,349	1,209	1,127	1,094	1,072	969
Represented by:										
Equity Share Capital	180	180	180	180	180	180	180	180	180	120
Reserves	1,313	1,022	1,106	1,207	1,169	1,029	947	914	892	849
Earnings Per Share (Rs.)	18.44	4.66	4.20	4.34	10.75	7.28	6.85	5.83	12.17	13.70



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AUDITORS' REPORT

To the Members of Rasoi Limited

We have audited the attached Balance Sheet of **Rasoi Limited** as at 31st March, 2004 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we further state that :

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) There is a phased programme of verification of such assets, based on which physical verification of fixed assets has been carried out during the year. Discrepancies in respect of assets verified during the year were not material. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Substantial part of fixed assets of the company has not been disposed off during the year.
- ii. (a) The inventory except for those which are in transit and lying with third parties have been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories to the extent

followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) On the basis of our examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. As far as ascertained, discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with the books of account.
- iii. (a) The Company has taken loans from eleven companies listed in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 688.60 lacs and the year-end balance of loans taken from such parties was Rs. 370.00 lacs. There is one company listed in the Register maintained under Section 301 of the Companies Act, 1956 to whom the loans have been granted. The maximum amount involved during the year was Rs. 1.50 lacs and the year-end balance of loan granted to such party was Rs. Nil.
- (b) In our opinion the rate of interest and terms and conditions on which loans have been taken from/ granted to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- (c) As informed to us, payment of principal and interest on above loans have regularly been made as per stipulation or on demand as the case may be.
- (d) To the extent stipulation about payment, there is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to information and explanation given to us, having regard to the nature of business and the practices followed *certain items are of a special nature for which alternative quotations are not available*, there are reasonable internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of stores, raw materials including