

# 6TH ANNUAL REPORT 1996-97



***RATTAN VANASPATI LTD.***

MD	/		BKC	/
CS	/		DPY	/
RO	/		DIV	/
TRA	/		AC	/
AGM	/	/	SHI	/
YE	/	/		/

## BOARD OF DIRECTORS

Bhupendra Singh, IAS  
Chairman - Nominee PICUP

P. B. JAIN  
Managing Director

Suresh Kumar Jain  
Whole Time Director

R. B. Jain  
Director

R. K. Gupta  
Director (Nominee PICUP)

A. K. Mehta  
Director  
(Nominee of IFCI)

S. C. Singhal  
Director

H. S. Chhabra  
Director

Neelam Oswal  
Director

Satyender Kr. Jain  
Director

Siddharth Chhabra  
Director

Ashok Sachdeva  
Director

V. K. Chhabra  
GM (Finance)  
& Company Secretary

## AUDITORS

R.N. Bahl & Company  
31, Regal Building,  
Connaught Place, New Delhi

## BANKERS

State Bank of Patiala  
31, Regal Building,  
Connaught Place, New Delhi

Oriental Bank of Commerce  
E-Block, Harsh Bhawan  
Connaught Place, New Delhi

## REGISTERED OFFICE

B-26, Sector - 9,  
Noida (U.P.)

## WORKS

A-8, UPSIDC Industrial Area  
Gujraula Distt. AMROHA (U.P.)

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## **RATTAN VANASPATI LIMITED**

### **NOTICE**

Notice is hereby given that the 6th Annual General Meeting of the members of the **Rattan Vanaspati Limited** will be held on Wednesday the 31st Dec., 1997 at 9.00 A.M. at Community Centre, Sector-19, Noida, Distt.- Gautam Budh Nagar (U.P.) to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance sheet of the company as at 30th June, 1997 and the Profit and Loss Account for the 15 Months period ended on that date and the reports of the Directors' and Auditors' thereon.
2. To appoint a directors in place of Mr. S. C. Singhal who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satyendra Kumar Jain, who retires by rotation, and being eligible offer himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting. M/s. R. N. Bahl & company Chartered Accountants, New Delhi are eligible for re-appointment.

### **NOTE**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE PROXY REPRESENTATION MUST BE REGISTERED AT THE REGD. OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the company will remain closed from 27-12-97 to 30-12-97 (both days inclusive).

Place : Lucknow  
Date : 05-12-97

By Order of The Board

Place : Lucknow  
Date : 05-12-97

Sd/-  
V. K. Chhabra  
G.M. (Finance)  
& Company Secretary

**RATTAN VANASPATI LIMITED****DIRECTORS REPORT**

To,

THE SHAREHOLDER,

Your Director have pleasure in presenting the 6th Annual Report together with the Audited Accounts for the 15 Months Period ended on 30-6-1997.

**FINANCIAL HIGHLIGHTS**

	(Rs. in lacs)	
	for the period ended on	
	30.6.97	31.3.96
Operating & Other Income	3092.59	5915.73
Loss: before Depreciation & Tax	198.97	65.06
Less: Depreciation	90.11	81.26
Loss: before Taxation	289.08	146.32
Less: Provision for Taxation	Nil	Nil
Loss after Taxation	289.08	146.32
Add: Balance from previous year	275.36	129.04
Loss Carried to Balance Sheet	564.44	275.36

In view of loss Directors show their inability to recommend any dividend. The Financial year of the Company was extended from 31st March, 1997 to 30th June, 1997 as such the Current Financial Year consists of a period of 15 Months. During the period under review the Company made a turnover of Rs.30.93 Crores (Previous year Rs. 59.16 Crores). The profitability remained under severe pressure throughout the period under review due to a variety of reasons mentioned hereinafter.

**OPERATIONS**

The production at plant was suspended for about six months on account of stopage of Edible Oil supplies by the suppliers. The then Deputy Managing Director (Incharge of Accounts, Finance & Oil Purchases) regretted his inability to discharge his functions. The production could be resumed from February, 1997 after putting hectic efforts in this regard.

To restore the lost confidence, the company made selling arrangements of its products with M/s. SIEL Ltd. (Manufacturer of famous RATH and PANGHAT VANASPATI) under their Brand Name and restarted production activities from February, 1997. Besides, the company is also selling under its own brand name "GRIH LAXMI". The closure has resulted in losses on account of fixed expenses for a period of about 6 months. Now the production is running smoothly. The selling arrangement with "Rath" had enabled the Company to cut its fixed expenses.

The Profitability was also under severe pressure due to very high installed capacity in the country to the tune of about 30 lacs Metric Tonnes against demand of about 11 Lacs M. Tonnes Cut throat competition, dumping of Vanaspati of Nepal origin and cheap imported Palm Oil have further aggravated the situation.

The Management took several effective steps to economies on expenses and efficient use of man and material. These steps have already started showing positive effects on the working of the Company from May, 1997 onwards. The Board of Directors are hopeful of better results in the Current Year.

The company has recently introduced Refined Edible Oil on trial basis to study the feedback of the market. The market response received so far is encouraging.

**FIXED DEPOSITS**

The company has not accepted any fixed deposits within the meaning of section 58A of the companies Act, 1956 and the rules made thereunder.

**DIRECTORS**

During the period under review Dr. U. K. Panwar joined the Board as Chairman / Nominee of PICUP in Place of Mr. D. K. Kotia.

## RATTAN VANASPATI LIMITED



Later on Dr. Panwar was also transferred from PICUP as such resigned as a Director on 3.10.1997. Mr. Bhupendra Singh, Deputy Managing Director PICUP has been nominated as Chairman / Nominee Director of PICUP w.e.f. 17th November, 1997.

Mr. H. S. Chhabra, the erstwhile Dy. Managing Director of the company has ceased to exercise any executive powers w.e.f. 16-12-96 and is now a Director simplicitor only.

### CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

The information in accordance with the provisions of Section 217 (1) (a) & (e) of the Companies Act, 1956 read with the companies (Disclosure of particulars in the report of Directors) Rules, 1988 is given in Addendum to this report.

### AUDITORS

M/s. R. N. Bahl & Co. Auditors of the company retire and are eligible for re-appointment. The company has received certificate from the auditors to the effect that their reappointment, if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956.

### AUDITORS OBSERVATIONS

The Board clarifies as under in respect of observations made by the Auditors in the annexure to the Auditor's report :-

**Note No. 1 - Fixed Assets Register of the company** is being updated.

**Note No. 15 - Internal Audit System** was disturbed due to closure of plant from July, 1996 to February, 1997. Now the system has been made operative by appointing internal auditors for the financial Year 1997-98.

The Board has nothing to add except as above in respect of Auditors observations.

### NOTES ON THE ACCOUNTS

The Board clarifies as under in respect of observations made in the notes on account (Schedule-18) :

**Notes No. 5,6,10,11 & 19** - Efforts are being made to collect necessary details to enable to thrash out the matter.

**Note No. 7** - Necessary details are being collected from Bankers and proper accounting entries will be passed in the current year.

Except as above, the Directors has nothing to add on the notes on the accounts.

### PERSONNEL

Particulars pursuant to section 217 (1) (a) of the Companies Act, 1956 - Nil

Particulars pursuant to section 217 (1) (e) of the Companies Act, 1956 are attached.

### ACKNOWLEDGMENT

The Directors place on record their deep appreciation for the cooperation and support extended by its joint sector partner. The Pradeshia Industrial & Investment Corp. of U.P. Ltd. (PICUP). The Directors are also thankful to IFCI, Oriental Bank of Commerce and State Bank of Patiala for their assistance and support. The Directors also wish to place on record their deep appreciation for dedicated services and contribution provided by employees of the Company. The C&F Agents and distributors are also to be thanked for their patience and support provided by them to the Management.

### FOR AND ON BEHALF OF THE BOARD

Sd/-  
Suresh Kumar Jain  
Whole Time Director

Sd/-  
P. B. Jain  
Managing Director

Place : New Delhi

Date : 6-12-1997

**RATTAN VANASPATI LIMITED****ADDENDUM TO DIRECTORS' REPORT**

(In Compliance to Section 217(1)(e) of the Companies Act, 1956)

**A. CONSERVATION OF ENERGY****A) Energy Conservation measures taken :**

- (1) Soft Water used in boiler for steam production.
- (2) Steam condensation recovery unit installed to reduce steam consumption.
- (3) Heat recovery system provided in boiler.

b) Additional Investment Proposals if any for reduction of Consumption of Energy : NIL

c) Total energy consumption and energy consumption per unit of production (as per Form A of the Annexure in respect of industries specified in the Schedule thereto) : Please refer Form A.

**B. TECHNOLOGY ABSORPTION : N.A.****C. FOREIGN EXCHANGE EARNINGS & OUT GO : NIL**

**ANNEXURE  
FORM A  
(See Rule 2)**

		Current Year
<b>A</b>	<b>Power &amp; Fuel Consumption</b>	
1.	Electricity	
	(a) Purchased Units	34,70,356
	Total Amount	Rs. 1,25,72,917
	Rate/Unit	Rs. 3.62 unit
	(b) Own Generation	
	(i) Through Diesel Generator unit	3,58,700
	Unit per ltr. of diesel oil	3.20 units/Ltr. of diesel
	Cost/Unit	Rs. 2.18/Units
	(ii) Through steam Turbine/generator	Nil
2.	Coal	
	Quantity	NIL
	Total Cost	NIL
	Average Rate	NIL
3.	Furnace Oil	NIL
	Quantity	NIL

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Amount	NIL
Average Rate	NIL
4. Husk	
Quantity	3349 M. Ton
Total Cost	Rs. 32,45,703
Rate Rs.1064/- per M.T.	Rs. 969/- per M.T.

**B. Cosumption per Unit of production.**

Electricity Consumed.(38,29,056) units)	458 units/M.T.
Husk	400.4 Kg/M.T.

For and on behalf of the Board

Place : New Delhi  
Date : 06-12-97

Sd/-  
(Suresh Kr. Jain)  
Whole Time Director

Sd/-  
(P.B. Jain)  
Managing Director

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**RATTAN VANASPATI LIMITED****AUDITORS REPORT**

To,  
The Members  
Rattan Vanaspati Ltd.

We have audited the attached Balance Sheet of Rattan Vanaspati Limited, as at 30th June, 1997 and the Profit & Loss for 15 months period ended on that date together with the Schedules referred to therein and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) order, 1975 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for details as mentioned vide note No. 6, 7 & 8 of the notes on account.

(ii) 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 such books except that gratuity, leave encashment and claims are accounted for on cash basis.

(iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.

(iv) In our opinion and to the best of our information and according to the

explanations given to us, the said Statements of Accounts, read with notes thereon and significant accounting policies, give the information required by the Companies Act 1956 in the manner so required and, subject to note No. 4 reg non adjustment of Modvat Credits, Note No. 5 Reg non provision of doubtful debts, Note No. 7 Reg non Identification of Credits, Note No. 10 Reg. Secured Loans, Note No. 11 Reg. Advances, Note No. 19 Reg. Non adjustment of Security Deposit of Rs. 1.75 Lacs and Note No. 20 Reg. Reconciliation of Stock give a true and fair view :-

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 1997 and
- (b) in the case of the Profit & Loss Account, of the Loss for the Period ended on that date.

For R.N. Bahl & Company  
Chartered Accountants

Sd/-

Place : New Delhi  
Date : 06-12-97

R.N. Bahl  
Partner

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in Paragraph (1) of our Report of even date)

1. Fixed Assets Register of the Company has been complied upto financial year ending 31-03-1995. There is a difference of Rs. 19.51 Lacs between the accounts records and as per Fixed Assets Register, Reconciliation of the same is in progress. The difference on Reconciliation and on account of physical verification will be reflected on completion of the reconciliation and physical verification. No physical verification of the Fixed Assets have been conducted.