

13<sup>th</sup>  
Annual Report  
2003-2004

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**RATTAN VANASPATI LIMITED**

**RATTAN VANASPATI LIMITED****BOARD OF DIRECTORS**

<b>Shri S.K. Mittal</b>	<i>Chairman (Nominee - PICUP)</i>
<b>Shri P.B. Jain</b>	<i>Managing Director</i>
<b>Shri Suresh Kumar Jain</b>	<i>Whole Time Director</i>
<b>Shri R.B. Jain</b>	<i>Director</i>
<b>Shri R.K. Gupta</b>	<i>Director (Nominee - PICUP)</i>
<b>Shri Sidharath Chhabra</b>	<i>Director</i>

**SECRETARIAL ADVISORS**

**B.S. GOYAL & CO.**  
*Company Secretaries*  
 97-D, Pocket - F, Mayur Vihar - II  
 Delhi - 110 091

**AUDITORS**

**R.N. BAHL & COMPANY**  
*Chartered Accountants*  
 1003, 10th Floor, Kailash Building,  
 K.G. Marg, New Delhi - 110 001

**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.)  
 Ph : 2524880

**WORKS**

A-8, UPSIDC Industrial Area  
 Gajraula, Distt. Amroha (U.P.)

**SHARE TRANSFER AGENT  
& DEPOSITARY REGISTRAR**

**MCS Limited**  
 Shri Vankatesh Bhawan  
 G1-40, Okhla Industrial Area, Phase-II,  
 New Delhi - 110 020  
 Tel. No. : 011-26384909.

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**RATTAN VANASPATI LIMITED****NOTICE**

Notice is hereby given that the 13th Annual General meeting of the company which was held on 31st December, 2004 at 10.00 A.M. at Community Centre (Near Hanuman Mandir), Sector 20, Noida, U.P. and adjourned sine die, will be held on Thursday, 2nd June, 2005 at 10.00 A.M. at the same place.

By order of the Board  
For **RATTAN VANASPATI LTD.**

(P. B. JAIN)

Managing Director

Place : Noida

Date : 25th April, 2005

**NOTE(S)**

The 13th Annual General Meeting was held on 31st December, 2004 to transact business as per Notice dated 6.12.2004. Since the Audited Accounts for the year ended 31.03.04 were not ready, the same could not be considered and approved in the said AGM. The shareholders transacted all other business given in the Notice and adjourned the AGM sine die for consideration and approval of Annual Accounts. The Audited Annual Accounts, with all annexures, are being circulated/despached alongwith this Notice.

**DIRECTORS REPORT**

To,

The Shareholders,

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Accounts for the year ended on 31st March, 2004.

**FINANCIAL HIGHLIGHTS**

(Rs. In lacs)

	As on 31.03.2004	As on 31.3.2003
Operating & Other Income	5470.36	6368.96
Profit before Interest & Depreciation	(-) 91.47	45.01
Loss before Depreciation & Tax	539.80	325.25
Less : Depreciation	86.95	90.53
Loss : before Taxation	626.75	415.78
Loss : Provision for Taxation	Nil	Nil
Net Loss	626.75	415.78
Add Balance from Previous Year	2426.85	2011.07
Loss carried to Balance Sheet	3053.60	2426.85

Due to non-availability of Profits, the Directors express their inability to recommend any dividend

**OPERATIONS**

During the year under review, the company had achieved the turnover of Rs. 54.71 crores as compared to Rs. 63.68 crores in the previous year. The total production of Vanaspati was 11871 MT in the current year as against 15316 MT in the previous year. The production declined due to discontinuance of Dalda production by Hindustan lever Ltd. from June, 2003. Your company made alternate arrangement with M/S Ruchi Soya to manufacture Ruchi Brand vanaspati with effect from 1st August, 03, to keep the factory running. The demand of vanaspati remained stagnant, and vanaspati industry is continuously facing poor utilisation of capacity. The steep increase in price of imported crude palm oil was not fully absorbed by the market.

**PROSPECTS**

The vanaspati industry continued facing mismatch of Demand and Supply. The installed capacity being almost three times of demand created unhealthy competition and eroded the margins. The entire vanaspati industry remained in red due to throat cut competition.

Your company remained fully dependent on production of Dalda for Hindustan Lever Ltd. in absence of working capital funds. Unfortunately Hindustan Lever Ltd. sold its vanaspati business to some U.S. party. Consequently, Hindustan Lever discontinued production of vanaspati in our plant from June, 03. With great efforts your management made tie up with M/S Ruchi Oil and Vanaspati Ltd. to manufacture their brands for a period of 8 months i.e. Aug., 03 to March, 04. Ruchi has also quit on 31.3.04 and plant is lying closed since then. The management is trying hard to find some party for sale/lease/management transfer of the plant in absence of working capital.

**REFERENCE WITH BIFR**

The company had been declared sick company under the provisions of SICA vide order of BIFR dated 20th April, 01. AAIFR vide its order dated 29.10.01, set aside

the order of BIFR and dismissed the Reference. The company filed Writ on 6.8.02 against order of AAIFR in Delhi High Court which is pending. The company also made Reference with BIFR on 4.1.02 on the basis of annual accounts for the year ended 31.3.01, but BIFR dismissed this Reference being time barred. Company filed Appeal with AAIFR against order of BIFR which is pending. Company again filed third Reference with BIFR on the basis of annual accounts for the year ended 31.3.02 which was also dismissed by BIFR being time barred. Company's Appeal against this order of BIFR is also pending with AAIFR.

**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 during the year under review.

**DIRECTORS**

Sh. H.S. Chhabra, retired by rotation and was not re-appointed in the Annual General Meeting. Sh. Virender Talwar resigned from Directorship w.e.f. 17.7.04 due to pre-occupation.

Sh. S.K. Jain resigned from Whole time Director w.e.f. 30.1.2004, but he remains as non working Director. Sh. R.B. Jain was appointed as a Whole time Director w.e.f. 1.2.2004. The Audit Committee has since been reconstituted and now comprised of three Directors as its members i.e. Sh. P.B. Jain, Sh. R.K. Gupta, and Sh. S.K. Jain.

**AUDITORS**

M/s. R.N. Bahl & Co., Auditors of the company retired and were re-appointment. The observations contained in the Auditors Report are self explanatory read with Notes on accounts, and therefor no separate comments are called for.

**PARTICULARS OF EMPLOYEES**

Particulars of employees pursuant to section 217 (2A) of the Companies Act, 1956 read with companies (Particulars of employees) Rules, 1975, are nil.

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

The information in accordance with the provisions of Section 217 (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Directors) Rules, 1998 is given in Addendum to this report.

**LISTING OF SHARES WITH STOCK EXCHANGES**

The Equity shares of the company are listed on Ahmedabad, Delhi, Kanpur and Mumbai Stock Exchanges. Due to tight liquidity position of the company, the listing fee of Ahmedabad and Mumbai stock exchanges not paid since 1997-98 and for Delhi and Kanpur not paid since 1996-97

**RESPONSIBILITY STATEMENT**

As required under section 217(2AA) of the Companies act, 1956, your Directors confirm that in the preparation of the annual accounts:-

- the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and reasonable and prudent judgements and estimates made, 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 the profit/loss of the company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

**ACKNOWLEDGMENT**

The Directors place on record their deep appreciation for the cooperation and support extended by The Pradeshia Industrial & Investment Corp. of U.P.Ltd.(PICUP), IFCI Ltd., Bankers, Hindustan Lever Ltd., and Ruchi Soya Group. 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 continuous support provided by them to the Management.

**FOR AND ON BEHALF OF THE BOARD**

Place : NOIDA  
Date : 25.4.2005

R. B. JAIN  
Director

P. B. Jain  
Managing Director

**ADDENDUM TO DIRECTOR'S REPORT**

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

**A. CONSERVATION OF ENERGY**

- Energy Conservation measures taken
  - Soft Water used in boiler for steam production.

**RATTAN VANASPATI LIMITED**

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 :**

	Current Year	Previous Year
1) Foreign exchange earning	NIL	NIL
2) Foreign exchange outgo	669.38	3557.38

**ANNEXURE FORM A**

A. POWER & FUEL CONSUMPTION	Current Year	Previous year
<b>1. Electricity</b>		
(a) Purchase Units (lacs)	13.54	17.84
Total/Ar.ount(Rs./lacs)	87.64	88.70
Average Rate/Unit (Rs.)	6.47	4.98
(b) Own Generation		
(i) Through Diesel Generator Unit/lacs	2.25	5.49
Unit per ltr. of diesel oil	3.36	3.31
Average rate/ Unit (Rs.)	5.90	5.27
<b>2. Husk</b>		
Quantity (MT)	3181	5251
Total Cost (Rs./lacs)	47.65	77.22
Average Rate per MT (Rs.)	1497.80	1470.62
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity Consumed units/MT	137	152
Husk Consumed Kg/MT	268	343

Annexure to Director's Report

**CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

At Rattan Vanaspati Limited, Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. Towards this, the Company consistently evaluates and defines its management practices aimed at enhancing

its commitment and delivery of the basic tenets of the Corporate Governance.

**BOARD OF DIRECTORS**

Composition of Board of Directors and other details as on 31st March, 2004 is as under:

Name of the Directors	Executive/Independent	No. of Meetings Attended (+)	Attendance at AGM 15.09.2003	No. of outside Directorship(s) Held (*)	No. of Member /chairmanship in other Board Committee
Mr. P. B. Jain	Executive	8	Present	—	—
Mr. R. B. Jain	Executive	8	Present	—	—
Mr. S. K. Jain	Non-Executive	6	Present	—	—
Mr. S. K. Mittal	Independent	6	Not-Present	1	1
Mr. R. K. Gupta	Independent	5	Not-Present	—	—
Mr. Virendra Talwar	Independent	3	Not-Present	1	1
Mr. H. S. Chhabra	Non-Executive	1	Not-Present	—	—
Mr. Sidharath Chhabra	Non-Executive	Nil	Not-Present	—	—

(+) Attendance at Board Meetings relevant to the period when appointed as Director of the Company.

(\*) Directorship in companies registered under the Companies Act, 1956, excluding Directorships in Private Limited Companies, Companies under section 25 of the Companies Act

Board Meetings held during the year 30th April, 2003, 9th May, 2003, 31st July, 2003, 31st October, 2003, 7th November 2003, 5th December, 2003, 20th December, 2003, 30th January, 2004.

**AUDIT COMMITTEE**

The Company has an Audit Committee in place since 2001 comprising 4 Directors on the Board. The Chairman of the Committee was Mr. Virendra Talwar, who has resigned from the Board on 31.07.2004. The Audit Committee was re-constituted on 30.01.2004 and 31.07.2004. Shri S. K. Jain, Chairman, Shri R. K. Gupta and Shri P. B. Jain Members, constitute the present Audit Committee of the Company.

**BRIEF DESCRIPTIONS OF THE TERMS OF REFERENCE**

The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges including their role, powers and duties, quorum of Meeting and frequency of Meetings. The Committee is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuing compliance with established policies and procedures. Audit Committee also determines adequacy of internal control and ensures its effectiveness. It identifies, defines, categorises all the risks that the Company faces. The internal control system is comprehensively reviewed, evaluated and updated on regular basis. Three Meetings including one adjourned Meeting of Audit Committee, were held during the year:

Director	No. of Meetings attended
Mr. Virendra Talwar	3
Mr. R. B. Jain	3
Mr. R. K. Gupta	1
Mr. P. B. Jain	3

**SHAREHOLDER'S/INVESTOR GRIEVANCE COMMITTEE:**

The Investor Grievance Committee comprising of Mr. P. B. Jain, Managing Director and Mr. S. K. Jain, Director of the company.

**BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:**

The functioning and terms of reference of the Committee is as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to transfer, transmission, complaints of shareholders etc.

**REMUNERATION COMMITTEE**

At present, the Company is not paying remuneration or sitting fee to any Director. No meeting of the Committee was held during the year.

**ANNUAL GENERAL MEETING:**

Location and time of the last three Annual General Meeting(s):

Year	Date	Venue	Time
2001	29.09.2001	Community Centre, Sector-19, Noida, Distt. Gautam Budh Nagar, U. P.	9.30 A. M.
2002	30.09.2002	Community Centre, Sector-19, Noida, Distt. Gautam Budh Nagar, U. P.	9.30 A. M.
2003	31.12.2003	C-46 (Basement), Sector-58, Noida, Distt. Gautam Budh Nagar, U. P.	10.30 A. M.

The Annual General Meeting held on 31.12.2003 was adjourned and was held on 30.01.2004. No Postal Ballot resolution(s) were passed.

**DISCLOSURE:**

During the year under review, the company had no materially significant related party transactions as envisaged under the Corporate Governance code.

**MEANS OF COMMUNICATIONS:****Quarterly Results:**

The Company is submitting the copies of quarterly results to the Stock Exchanges, on regular basis. However the same are not being published in newspapers, due to