

9th Annual Report 1998-99

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Basant Agro-Tech (India) Ltd.

We feed the land which feeds the people

Basant Agro-Tech (India) Ltd.

DIRECTORS

Shri Chimanlal R. Bhartia
Shri Chhanulal Jhunjhnuwala
Dr. B.G.Bathkal
Shri Sharad W. Sawant
Shri Arvind R. Modgi
Shri Deepak C. Bhartia
Shri Shashikant C. Bhartia

Chairman
Vice Chairman
Director
Director
Director (SICOM Nominee)
Managing Director
Whole Time Director

COMPANY SECRETARY

Upendra Somani

AUDITORS

M/s. P.C.Baradiya & Co.,
Chartered Accountants
208, Rewa Chambers,
31, New Marine Lines, Mumbai - 400 020.

LEGAL ADVISOR

Shri R.K.Thakur,
77, New Bardan Lane,
Mumbai - 400 003.

BANKERS

State Bank of India
Station Road,
Akola - 444 001.

REGISTERED OFFICE & NPK FERTILIZER UNIT I

Plot No.13/2, Kaulkhed,
Near S.T.Workshop,
Akola - 444 001 (Maharashtra).
Tel.No. (0724) 436450
Fax No. (0724) 438053

SSP FERTILIZER UNIT II

Survey No.62, Kanheri Aranda Road,
Kanheri-Sarap, Taluka Barshi Takli,
Akola - 444 401 (Maharashtra).
Tel.No. (07255) 44337

CORPORATE OFFICE

A-1/3, Sea Lord, Cuffe Parade, Mumbai - 400 005.
Tel.No. 218 3285, 218 2824, 218 3332
Fax.No. (022) 218 3280

REGISTRARS & SHARE TRANSFER AGENTS

Classik Finsoft Pvt. Ltd.
Sarvodaya Niketan, 69, M.V.Road, Bail Bazar,
Kurla (West), Mumbai 400 070.
Tel.No. 5148823, 5151105
Fax No. 5147219



NOTICE

NOTICE is hereby given that Ninth Annual General Meeting of Members of BASANT AGRO TECH (INDIA) LIMITED, will be held at Krishi Sanjivani Office, Opp. Nagar Parishad, Akola - 444001, Maharashtra on Saturday, 25th September 1999, at 4:00 P.M. to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account of the Company for the year ended as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Chimanlal R. Bhartia who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Sharad W. Sawant who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

6. To consider and if thought fit, to pass the following Resolution, with or without modification (s) as an Ordinary Resolution :

"RESOLVED THAT, M/s. P. C. Bhandari & Co., the Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to work with the existing Statutory Auditors M/s. P.C. Baradiya & Co., the Chartered Accountants from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such Remuneration as may mutually be agreed upon between M/s. P. C. Bhandari & Co. and the Board of Directors of the Company".

7. To consider and if thought fit, to pass the following Resolutions, with or without modification(s) as Special Resolutions :

"RESOLVED THAT, in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Deepak C. Bhartia as the Managing Director of the Company for a period of 5 (five) years with effect from 1st April 1999, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Deepak C. Bhartia, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any

amendments thereto as may be agreed to between the Board and Shri Deepak C. Bhartia".

"RESOLVED FURTHER THAT, the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

8. To consider and if thought fit to pass the following Resolutions with or without modification(s) as Special Resolutions :

"RESOLVED THAT, in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Shashikant C. Bhartia as the Wholetime Director of the Company for a period of 5 (five) years with effect from 1st April 1999, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Shashikant C. Bhartia, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri Shashikant C. Bhartia".

"RESOLVED FURTHER THAT, the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

9. To consider and if thought fit, to pass the following Resolution with or without modification (s) as Special Resolution :

"RESOLVED THAT, in accordance with the provisions of the Companies Act, 1956 and other Acts, if any, including any amendment thereto and subject to the consents, permissions, sanctions and approvals, if any, as may be necessary, from the Members, Stock Exchange Authorities and subject to conditions as were prescribed/made applicable in granting such approvals, the consent of the company be and is hereby given to apply for delisting of Equity Shares of the Company from the Stock Exchanges at Ahmedabad and that the Board of Directors of the Companies be and is hereby authorised to do all acts, deeds, matters and things including execution of any documents for this purpose and attend to all statutory compliances to get the Equity shares delisted from the Ahmedabad Stock Exchange."

By Order of the Board of Directors

Upendra Somani
Company Secretary

Place : Mumbai
Dated : 28th May, 1999

Registered Office :-
Plot No. 13/2, Kaulkhed, Near S.T. Workshop,
Akola - 444 001, Maharashtra.

ANNUAL REPORT 1998-99**NOTES :-**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956, in respect of Special Business of the above Notice is annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 1999 to Saturday, 25th September, 1999 (both days inclusive).
- 4) The Dividend recommended by the Directors, if approved at the Annual General Meeting shall be paid to those Shareholders whose names appear in the Register of members of the Company as on 25th September, 1999.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

The Explanatory Statement for Item Nos. 6 to 9, of the accompanying Notice set out hereinabove is as under :

EXPLANATORY STATEMENT :-**Item No.6**

The Company has received a special notice from the Member under Section 225 of the Companies Act, proposing the name of M/s.P.C.Bhandari & Co. the Chartered Accountant to be appointed as the Joint Auditor of the Company alongwith existing Auditor M/s.P.C.Baradiya & Co., Chartered Accountant from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting.

The Board is of the opinion that it will be in the best interest of the Company to appoint the Joint Auditor. The Directors recommend the resolution for the approval of shareholders.

None of the Directors of the Company may be deemed to be concerned or interested in the said resolution.

Item No.7 & 8

The present terms of office of Shri Deepak C.Bhartia, Managing Director and Shri Shashikant C. Bhartia, Wholetime Director expired on 31st March, 1999 The Board of Directors has re-appointed the aforesaid Directors for a further period of five years from the expiry of their respective terms.

Shri Deepak C. Bhartia, Managing Director and Shri Shashikant C. Bhartia, Wholetime Director the Company, shall each be entitled to the Salary of Rs.20,000/- per month and perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses/or allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and their family including dependants; club fees, medical insurance and such other perquisites and/or allowances upto Rs.4,50,000/- per annum, subject to overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

Company's contribution to Provident Fund and Super Annuation of Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the ten year, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

In addition to the salary, perquisites and allowances as above, the Managing Director and Wholetime Director shall also be entitled to receive commission. With effect from 1st April, 1999 the overall remuneration payable by way of salary, perquisites,

allowances and commission to all the aforesaid Directors shall not exceed the maximum permissible remuneration under Companies Act, 1956.

The Terms and conditions set out for re-appointment and payment of remuneration herein and/or in the respective Agreements may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto.

The Board is entitled to revise the salary, perquisites and allowances and commission payable to all or any of the said Directors of the Company at any time, provided that the overall remuneration payable to all the aforesaid Directors of the Company shall not exceed the maximum permissible remuneration under Companies Act, 1956.

The respective Agreements may be terminated by either party (Company or the concerned Directors) by giving the other three months prior notice of termination in writing.

The draft Agreements to be entered into between the Company and each of Shri Deepak C.Bhartia and Shri Shashikant C.Bhartia are available for inspection at the Registered Office of the Company on any working day upto the date of the 9th Annual General Meeting between 4:00 P.M. and 5:00 P.M.

Your Directors commend the resolutions set out at Item Nos.7 & 8 of the Notice for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Shri Deepak C.Bhartia and Shri Shashikant C.Bhartia respectively pursuant to Section 302 of the Companies Act, 1956.

Shri Deepak C.Bhartia and Shri Shashikant C.Bhartia are interested in the resolutions which pertain to their respective re-appointment and/or remuneration payable to each of them. Further Shri. Deepak C. Bhartia and Shri. Shashikant C. Bhartia may be also deemed to be interested in the resolutions pertaining to the re-appointment of and/or remuneration payable to each other, as they are related to one another. Shri. Chimanlal R. Bhartia also may be deemed to be interested in the resolutions no. 7 & 8 as he is related to Shri Deepak C. Bhartia & Shri Shashikant C. Bhartia. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the said resolutions.

Item No.9

The equity shares of the Company are at present listed on Mumbai and Ahmedabad Stock Exchange. The equity shares of the Company are not traded in a material way and the trading is negligible in quantum on Ahmedabad Stock Exchange. The Board of Directors of the Company therefore proposed that the equity shares of the Company should be delisted from Ahmedabad Stock Exchange. The listing of shares will however continue at Mumbai Stock Exchange which is a regional Stock Exchange. For delisting of shares from Ahmedabad Stock Exchange approval of shareholders is necessary and accordingly resolution No.9 as set-out in the notice has been recommended by the Board of Directors.

None of the Directors of the Company may be deemed to be concerned or interested in the said resolution.

By Order of the Board of Directors

Upendra Somani
Company Secretary

Place : Mumbai

Dated : 28th May, 1999

Registered Office :-

Plot No. 13/2, Kaulkhed, Near S.T.Workshop,
Akola - 444 001, Maharashtra.



DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1999.

1. FINANCIAL RESULTS :

	1998-99 (Rs. in lacs)	1997-98 (Rs. in lacs)
Turnover	3357.99	2851.11
Profit before Interest, Depreciation and Tax	341.27	336.05
Less : Interest	225.99	220.27
Profit before Depreciation	115.28	115.78
Less : Depreciation	62.57	86.05
Profit before Tax	52.71	29.73
Provision for Taxation	5.55	3.12
Profit after Tax	47.16	26.61
Provision for Taxation for earlier Years	(0.68)	—
Surplus Brought forward from Previous Year	143.71	145.38
Amount Available for Appropriations	190.19	171.99
Appropriations :-		
(a) Transferred to General Reserve	3.00	2.00
(b) Proposed Dividend	38.22	23.89
(c) Corporate Dividend Tax	4.20	2.39
Surplus carried to Balance Sheet	144.77	143.71

2. DIVIDEND :

Keeping in line with the management's policy of rewarding the Shareholders, your Directors are pleased to recommend dividend @ 12% (Previous year 7.5%) for the year ended 31st March, 1999 which shall absorb Rs.38.22 lacs (Previous year Rs.23.89 lacs)

3. OPERATIONS :

Your Company has continued to maintain consistent growth, inspite of slow-down of the economy. During the year, Company has achieved the record Turnover of Rs.33.58 Crores, which is 18% higher as compared to previous year. The Profit after Tax has jumped up by 77% due to various measures implemented by the Company to improve its efficiency. The production of fertilizer during the year was 73,818 M.T. against 62,268 M.T. produced in the last year.

Your Company is giving more emphasis on maintaining quality of the fertilizers as well as reducing the cost of production by upgrading the process. The Marketing of fertilizers in the State of Madhya Pradesh and Andhra Pradesh is successful and the Company is planning to intensify its marketing activities in those States.

Due to initial Research & Development Expenditure of the Seed Division, its contribution to the profitability of the Company is not substantial. However, the Seed Division will start showing good results in the coming years.

The future of your Company is bright. The Positive attitude of Government of India towards Agriculture Sector will result in the growth of fertilizer Industry in the near future. Representation has been made to appropriate authorities to consider the Revision of Maximum Retail Price of single super phosphate fertilizers and increase in subsidy.

4. DIRECTORS :

Shri Chimanlal R. Bhartia, Chairman retires by rotation at this Annual General Meeting and he being eligible, has offered himself for reappointment.

Shri Sharad W. Sawant, Director retires by rotation at this Annual General Meeting and he being eligible, has offered himself for reappointment.

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The Term of Appointment of Shri Shashikant C. Bhartia, Whole-Time Director and Shri Deepak C. Bhartia, Managing Director expired on 31st March, 1999. The Board of Directors has re-appointed, subject to approval of Shareholders at forthcoming Annual General Meeting, Shri Shashikant C. Bhartia as Whole-Time Director and Shri Deepak C. Bhartia as Managing Director for further period of five years w.e.f. 1st April, 1999.

5. AUDITORS :

M/s. P.C. Baradiya & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company hold Office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished certificate to the effect that their appointment as Statutory Auditors if made, would be within prescribed limits under section 224(1B) of the Companies Act, 1956.

Board of Directors of the Company has decided to appoint M/s. P. C. Bhandari & Co., Chartered Accountants as Joint Auditor of the company subject to approval of shareholders at the forthcoming Annual General Meeting to hold office from conclusion of forthcoming Annual General Meeting till conclusion of next Annual General Meeting.

6. AUDITORS' REPORT :

The observations of the Auditors in their report, read with notes annexed to the accounts are self explanatory and therefore do not call for any further clarifications.

7. PUBLIC DEPOSIT :

As on 31st March, 1999 the company has not accepted any Public Fixed Deposits.

8. STATUS ON Y2K PREPAREDNESS :

- a. The risk of the Company's Year 2000 issue :
The Company's accounting and financial functions and inventories are partly computerised.
- b. The cost to address the Company's Year 2000 issue :
The cost to address Y2K problem will not be major hindrance to make operations Y2K compliant.
- c. The Company's Contingency Plans :
The Company has taken steps to make all operations Y2K compliant and will be in a position to work out contingency plan before the deadline.

9. DELISTING OF SHARES FROM AHMEDABAD STOCK EXCHANGE :

The Equity Shares of the Company are not traded in a material way and turnover is very negligible in quantum at Ahmedabad Stock Exchange. Due to spread of BOLT Terminals of Mumbai Stock Exchange, it will be very easy to have access to the Members and Investors for sale and purchase of the Equity Shares of the Company and hence it has been recommended to get the Shares delisted from Ahmedabad Stock Exchange after necessary approval of the Shareholders at the forthcoming Annual General Meeting.

10. INDUSTRIAL RELATIONS :

The relations between the Employees and the Management continued to be cordial.

11. PERSONNEL :

There were no employees whose remuneration was in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 are set out in the annexure forming part of this Report.

13. ACKNOWLEDGEMENTS :

Your Directors would like to express their appreciation for the assistance and co-operation received during the year under review from the Shareholders, Financial Institutions and Bankers. Your Directors wish to place on record their sincere thanks for the devoted services of the staff and workers of the Company.

For and on behalf of the Board

Place : Mumbai
Dated : 28th May, 1999

CHIMANLAL R. BHARTIA
CHAIRMAN



ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1999.

A. CONSERVATION OF ENERGY

As in the past, the Company continues its efforts to improve method of energy conservation and utilisation.

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	1998-99	1997-98
A. POWER & FUEL CONSUMPTION		
1. Electricity :-		
a) Purchased		
Unit from MSEB	12,13,512	9,47,843
Total Amount (Rs.)	50,02,020	40,04,478
Rate / Unit (Rs.)	4.12	4.22
b) Own Generation	NIL	NIL
2. Coal	N.A.	N.A.
3. Furnace Oil Consumed (Ltrs.)	4,63,504	4,83,489
Total Amount (Rs.)	25,36,766	23,42,408
Average Rate per Ltr (Rs.)	5.47	4.84
B. CONSUMPTION PER UNIT OF PRODUCTION (MT)		
Product:		
NPK Granulated Mixture Fertilizer		
Electricity (No. of Units)	6.80	6.25
Furnace Oil (Ltrs.)	8.69	9.89
SSP Fertilizer		
Electricity (No. of Units)	16.64	15.50
G.S.S.P. Fertilizer		
Electricity (No. of Units)	16.50	15.66
Furnace Oil (Ltrs.)	10.28	10.37

FORM 'B'

A. ABSORPTION OF TECHNOLOGY — Not Applicable —

B. RESEARCH AND DEVELOPMENT (R & D)

Company has no Separate R & D Department but it has well equipped Laboratory for testing raw materials and finished goods for Fertilizer division. As regards Seed business, the Company has engaged experts and scientists to carry out Research work on developing high yielding varieties of hybrid seeds for crops like Cotton, Jawar, Groundnut, Sugarcane, Fruits and Vegetables etc. The Company has incurred revenue expenditure of Rs. 1.90 Lacs on In-house Research and Development during the year and which has been amortised over the period of three years in equal instalments in the Profit and Loss Account.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

	1998-99	1997-98
Total Foreign Exchange used :		
a) Dividend	4.74	9.49
b) Others (Travelling)	NIL	0.80
Total Foreign Exchange Earned :	NIL	NIL