



Basant Agro ~ Tech (India) Ltd.

We feed the land which feeds the people

14th

Annual Report 2003 - 2004

Manufacturers of Single Super Phosphate
NPK Mixture Fertilizers & Hybrid Seeds

Basant Agro Tech (India) Limited

14th Annual Report

DIRECTORS

| | |
|-----------------------------|---------------------|
| Shri Chimanlal R. Bhartia | Chairman |
| Shri Chhanulal Jhunjhnuwala | Vice Chairman |
| Dr. B. G. Bathkal | Director |
| Shri Sharad W. Sawant | Director |
| Shri Deepak C. Bhartia | Managing Director |
| Shri Shashikant C. Bhartia | 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.

M/s. P. C. Bhandari & Co.,
Chartered Accountants,
Ramdas Peth,
Akola.

LEGAL ADVISOR

Shri R. K. Thakur,
Krishna Mohan Building,
1st Floor, 71, Banganga Road,
Walkeshwar,
Mumbai - 400 003.

BANKERS

State Bank of India,
Ramdas Peth Branch,
Akola - 444 001.

REGISTERED OFFICE

& NPK FERTILIZER UNIT I

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

SSP FERTILIZER UNIT II

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

CORPORATE OFFICE

A-1/3, Sea Lord, Cuffe Parade, Mumbai - 400 005.

REGISTRARS & SHARE TRANSFER AGENTS

SHAREX (INDIA) PVT. LTD.

17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001.

Tel. No. : 2270 2485, Fax : 2264 1349.

BASANT AGRO TECH (INDIA) LIMITED**NOTICE**

NOTICE is hereby given that Forteenth 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, 2004, 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, 2004 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 C.L. Jhunjhnuwala who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. B.G.Bathkal 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.
6. To consider and if though fit, to pass the following Resolution, with or without modification(s) as special Resolution:

"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 2004, 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 Remuneration Committee) 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 amendment 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 necessary, proper or expedient to give effect to this resolution".

7. To consider and if though fit, to pass the following Resolution, with or without modification(s) as special Resolution :

"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 2004, 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 Remuneration Committee) 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 amendment 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 necessary, proper or expedient to give effect to this resolution".

By Order of the Board of Directors

Place : Mumbai
Date : 28th May, 2004

Upendra Somani
Company Secretary

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

Annual Report 2003 - 2004**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 Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 2004 to Saturday, 25th September, 2004 (both days inclusive).
- 3) The Dividend if declared, will be paid to those Shareholders whose names stand on the Register of Members on 25th September, 2004.

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

The Explanatory Statement for item Nos 6 and 7 of the accompanying Notice set out herein above is as under:

EXPLANTORY STATEMENT**Item No 6 & 7 :**

The present terms of the office of Shri Deepak Bhartia ,Managing Director and Shri Shashikant Bhartia , Wholetime Director expired on 31st March ,2004. 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 Bhartia, Managing Director and Shri Shashikant Bhartia,Wholetime Director of the Company shall each be entitled to the salary of Rs 50000.00 per month and the perquisites and allowances like accomodation(furnished or otherwise)or house rent allowance in lieu thereof,house maintenance allowance together with reimbursement of expences/ or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and their family including dependents, club fees, medical insurance, and such other perquisites and /or allowances subject to overall ceiling of remuneration stipulated in the 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 other rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

Company's contribution to Provident fund and Superannuation or 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 the limits of the remuneration or perquisites aforesaid.

In addition to the salary , perquisites and allowances as above , the Managing Director and Whole time Director shall also be entitled to receive commission . With effect from 1st April 2004 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 the 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 amendment 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 shall not exceed the maximum permissible remuneration under the Companies Act,1956.

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

The draft agreement to be entered into between the Company and each of Shri Deepak Bhartia and Shri Shashikant Bhartia are available for the inspection at the registered office of the company on any working day upto the date of the 14th Annual General Meeting between 4.00 PM and 5.00 PM,

Your Directors commend the special resolutions set out at Item No 6 & 7 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 Bhartia and Shri Shashikant Bhartia respectively pursuant to Section 302 of the Companies Act, 1956.

Shri Deepak Bhartia and Shri Shashikant Bhartia are interested in the resolution which pertain to their respective re- appointment and /or remuneration payable to each of them. Further Shri Deepak Bhartia and Shri Shashikant 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 Bhartia also may be deemed to be interested in the resolution No. 6 and 7 as he is related to Shri Deepak Bhartia and Shri Shashikant 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.

By Order of the Board of Directors

Place : Mumbai
Date : 28th May, 2004

Upendra Somani
Company Secretary

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

BASANT AGRO TECH (INDIA) LIMITED**DIRECTORS' REPORT TO MEMBERS**

Your Directors have pleasure in presenting the Forteenth Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2004.

1. FINANCIAL RESULTS :

(Rs. in Thousands)

| | 2003-2004 | 2002-03 |
|--|-----------|---------|
| Turnover | 430486 | 401455 |
| Profit before Interest, Depreciation and Tax | 28291 | 36007 |
| Less : Financial Expenses | 9766 | 16048 |
| Profit before Depreciation | 18525 | 19959 |
| Less : Depreciation | 6984 | 8484 |
| Profit before Tax | 11541 | 11475 |
| Provision for Taxation | 1000 | 1400 |
| Provision for Deffered Tax | 1500 | 1500 |
| Profit after Tax | 9041 | 8575 |
| Provision for Taxation of earlier years | (2) | — |
| Surplus brought forward from Previous Year | 27828 | 24729 |
| Amount available for Appropriations | 36867 | 33304 |
| Appropriations : | | |
| (a) Transferred to General Reserve | 3500 | 3500 |
| (b) Proposed Dividend | 2230 | 1752 |
| (c) Corporate Dividend Tax | 280 | 224 |
| Surplus carried to Balance Sheet | 30857 | 27828 |

2. DIVIDEND :

Considering satisfactory performance of the company your Directors are pleased to recommend the higher dividend @ 7.00% (Previous Year 5.50%) for the year ended 31st March, 2004 which shall absorb Rs.22.30 lacs (Previous Year Rs.17.52 lacs).

3. MANAGEMENT DISCUSSION AND ANALYSIS :

The main business of the Company is Manufacturing of NPK Mixture Granulated Fertilizers and Single Super Phosphate Fertilizers. The Company is also engaged in development and marketing of various hybrid seeds. The Management Discussion and Analysis is given below :

a) AN OVERVIEW

The overall performance of the company has been satisfactory during the year under review. The turnover of the Company during the year under review has jumped by 7.23% inspite of adverse market conditions. The Profit before tax has also gone up marginally to Rs. 115.41 lacs. During the year under review the market prices of the Fertilizers were under pressure due to severe competition. The Fertilizer Industry as a whole was not performing upto its expectations due to failure of 4 successive monsoons. The Demand for Fertilizers remained to be stagnant due to serious draught conditions prevailed in Maharashtra, Madhya Pradesh, Chhattisgarh etc. Inspite of the above adverse conditions your company managed to register the remarkable growth in the sales as well as in the profitability, due to hard work of the marketing team the company. The cost cutting measures adopted by the company as well as consistant improvement in quality of the products to the satisfaction of the farmers are the main factors for the better performance of the company. The seed division has also performed well during the year and the popularity of the Seeds developed by the Company has shown upward trend.

b) CURRENT AND FUTURE OUTLOOK

SSP is poor man's fertilizers and has got great future in India. Various field studies conducted proved that the soil in most parts of India is sulphur deficient. SSP is the only fertilizers which provides the vital nutrient like Sulphur and Calcium. With the present consumption of SSP fertilisers it can meet only 15 % of the requirement of phosphate and Government is encouraging the use of SSP fertilisers so that its consumption can be increased significantly. This will be beneficial to the company. Due to increased quality consciousness by the Government, the competition from unit producing poor quality fertilizers has been reduced and it is advantageous to the company, as we supply the quality fertilizers at the competitive prices to the farmers. It is predicted that this year the monsoon will be normal and we expect that the sale of fertilizer during Kharip 2004 will grow remarkably.

The seed division is showing good progress and the sweetcorn 'Amarican Sweetcorn Sanjivani Gold' developed by the us has been well accepted due to its high sweetness and tenderness. The company has got the germ plasm bank for the sweetcorn. It has also developed 296 varieties of Sorghum as well as many varieties of Cotton and the same has been well accepted by the market.

c) INTERNAL CONTROL SYSTEM

The company maintains adequate internal control system which provides adequate safegaurds and effective monitoring of the transactions. The Company has a strong and independent internal audit department. The Internal auditor reports to Audit Committee of the Board.

Annual Report 2003 - 2004**d) DISCUSSION ON FINANCIAL PERFORMANCE**

Due to planned use of its working capital resources the company managed to reduce its financial expenses from Rs. 160.48 lacs to Rs. 97.66 lacs. The borrowed funds of the company has been reduced from Rs.2261.32 lacs to Rs 1697.56 lacs. During the year under review the Company had repaid the high interest bearing secured loans from the financial institutions.

e) ENHANCED VALUE TO THE SHARE HOLDERS

Your company continues to make all efforts to adopt the best systems and methods of doing business, reduce overheads, improve productivity and establish better consumer relation with improved quality and effective distribution network. The Company is working hard for improving the profitability thereby enhancing the Share Holder's value. Considering the growth in the business during the year under review, your Directors has recommended higher tax free dividend to the shareholders

4. DIRECTORS :

The term of Appointment of Shri Shashikant C. Bhartia, Whole-Time Director and Shri Deepak C. Bhartia, Managing Director expired on 31st March, 2004. 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, 2004.

Shri C.L.Jhunjnuwala, Director retires by rotation at this Annual General Meeting and he being eligible has offered himself for reappointment.

Dr. B. G. Bathkal, Director retires by rotation at this Annual General Meeting and he being eligible has offered himself for reappointment.

5. AUDITORS :

M/s. P.C.Baradiya & Co., Chartered Accountants,Mumbai and M/s P.C. Bhandari & Co.,Chartered Accountants Akola, the Joint 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 u/s.224(1B) of the Companies Act,1956.

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 clarification.

7. PUBLIC DEPOSIT :

As on 31st March,2004 the company has not accepted any Public Fixed Deposits.

8. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. That in the preparation of the accounts for the financial year ended 31st March, 2004, the applicable accounting standards have been followed alongwith proper explanation relating to material departures,
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgements 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. That 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 detecting fraud and other irregularities,
- iv. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2004 on a going concern basis.

9. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange a separate section titled " Report on Corporate Governance" is being published as a part of this Annual Report.

10. INDUSTRIAL RELATIONS :

Relations between the Employees and the Management continued to be cordial.

11. PARTICULARS of EMPLOYEES UNDER SECTION 217(2A) of THE COMPANIES ACT 1956 :

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

CHIMANLAL R. BHARTIA
Chairman

Place : Mumbai

Date : 28th May, 2004