

Basant Agro - Tech (India) Ltd.

We feed the land which feeds the people



15th

**Annual Report
2004 - 2005**

Manufacturers of Single Super Phosphate, NPK Mixture Fertilizers
and Producers of New American Sweet Corn & Hybrid Seeds

Basant Agro Tech (India) Limited

15th Annual Report

DIRECTORS

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

Chairman
Vice Chairman
Director
Director
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.

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**N O T I C E**

NOTICE is hereby given that **Fifteenth 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, 17th September, 2005, 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, 2005 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.R.Bhartia who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. S.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 THOUGH FIT TO PASS WITH AND WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**

RESOLVED THAT, pursuant to Section 314(1) of the Companies Act, 1956 and other applicable provisions if any, of the Companies Act 1956, consent of the company be and is hereby accorded for payment of the remuneration of Rs 30000.00 per month to Shri Ashwin Bhartia President of the company w.e.f 01.04.2005."

7. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH AND WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**

RESOLVED THAT, pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 (including the statutory modifications or reenactments thereof for the time being in force) and the provisions of other statutes as applicable and subject to such approvals, consents ,permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby amended, altered and /or substituted in the manner and to the extent as is set out herein below :

9A : SHARE WARRANTS :

The Directors shall have power ,at their discretion, to issue from time to time the Share Warrants to be converted into equity shares or entitling to apply for equity shares or other securities convertible into or exchangeable with equity shares at a price and upon such terms and conditions and with such rights and privileges annexed thereto as the Board of Directors may think fit and proper, subject to the provisions of Section 86,87,88 and other applicable provisions of the Companies Act,1956.

8. **TO CONSIDER AND IF THOUGH FIT TO PASS WITH AND WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :**

RESOLVED THAT, pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act,1956 (including any statutory modifications or re-enactment thereof for time being in force) and applicable rules , regulations issued by Securities and Exchange Board of India, the Government of India and other concerned and relevant authorities and relevant provisions of the Memorandum and Articles of Association of the company and the listing agreement entered into by the Company and the Stock exchanges where the Shares of the Company are listed and subject to approval(s),consents(s), permission(s) and sanction(s) as may be required from GOI,RBI, SEBI and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, or sanction and which may be agreed to by the Board of Directors of the Company ,the consent and approval of the Company be and is hereby accorded to the Board to issue equity shares to the investors (including Financial Institutions ,Banks, Mutual Funds, Bodies Corporate, NRIs, and other eligible investors) whether or not such investors are members of the Company, by way of one or more private or public offerings, through a public issue (s), Private Placement(s),preferential issue(s) or combination thereof in such a manner and on such terms and conditions as the Board deems appropriate at their absolute discretion, provided that the total issue price of the equity shares to be issued shall not exceed Rs 25 Crores inclusive of such premium as may be payable on the equity shares, at such time(s),and at such Price (s) as the Board in its absolute discretion deems fit.

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RESOLVED THAT the Board of Directors or any committee thereof be and are hereby authorised to enter into and execute all such arrangement/agreements as may be required for appointing Managers (including lead manager) Merchant Bankers, Underwriters, financial and/or legal advisors; tax advisors, consultants, depositories, custodians, principal paying/transfer/Conversion agents, Listing agents, registrars, trustees and all such agencies as may be involved or concerned in such offerings of the equity shares whether in India or Abroad, and to remunerate all such agencies including the payment of Commission, Brokerage, fees or the likes and also to seek listing of the equity shares in one or more stock exchanges whether in India or outside India, as may be required by the applicable laws.

RESOLVED FURTHER THAT, subject to the approvals stated above, the Company be also permitted to retain over subscription up to 25% of the amount issued and the Board of Directors or Committee of Directors constituted for the purpose be authorised to decide the quantum of the over subscription to be retained.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted in accordance with the terms of offering and that the equity shares so allotted shall rank *pari - passu* with the existing equity shares of the company.

9. TO CONSIDER AND IF THOUGH FIT TO PASS WITH AND WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to any approval, consent, permission and / or sanction of appropriate authorities, (hereinafter collectively referred to as "the appropriate authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as " the requisite approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its power including the power conferred by this resolution), the Board be and is hereby authorised to create, offer, issue and allot, from time to time :

- i. 5,00,000 equity shares to the promoters of the Company, under a preferential issue, through offer letter and / or circular and / or information memorandum and / or such other documents / writings, at the price of equity shares so issued shall not be less than Rs. 30/- (including a premium of Rs.20/-) per equity share of Rs. 10/- each being the price with respect to the Relevant Date i.e. 18th August, 2005, as prescribed under the Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and the aggregate amount of the equity shares so issued shall not exceed Rs.1.50 Crores and
- ii. 15,00,000 share warrants entitling to apply for equity shares or other securities convertible into or exchangeable with equity shares to be subscribed by Promoters of the Company, under a preferential issue through offer letter and / or circular and / or information memorandum and / or such other documents / writings, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion, at the price of equity shares so issued shall not be less than Rs 60/- (including a premium of Rs 50/-) per equity share of Rs 10/- per equity share being the price with respect to the Relevant Date i.e. 18th August, 2005, as prescribed under the Guidelines for Preferential Issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and the aggregate amount of the Securities so issued shall not exceed Rs.9.00 Crores.

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange (s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said securities, utilisation of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or Chairman & Managing Director or any other Director (s) or officers (s) of the Company to give effect to the aforesaid resolution.

By Order of the Board of Directors

Place : Mumbai

Date : 19th August, 2005

Upendra Somani
Company Secretary

Registered Office :

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

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, 13th September, 2005 to Saturday, 17th September, 2005 (both days inclusive).
- 3) The Dividend if declared, will be paid to those Shareholders whose names stand on the Register of Members on 17th September, 2005.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No 6 :

The appointment of and the remuneration payable to Shri Ashwin Bhartia the president of the company had been approved by the shareholders by passing Special Resolution at the Annual General Meeting held on 29.09.2001. Now Board of Directors on recommendation of Remuneration committee has decided to revise the remuneration of Shri Ashwin Bhartia to Rs 30000.00 per month w.e.f 01.04.2005 subject to approval of the Shareholders at the forthcoming Annual General Meeting.

The Board recommends the said resolution for approval of shareholders

None of the Directors other than Shri C R Bhartia, Shri S.C.Bhartia, and Shri D C Bhartia shall be deemed to be interested or concerned in the said resolution.

Item No 7 :

As the company proposes to come out with the public offer as well as preferential allotments of shares and Share Warrant . The necessary Resolutions are being set out in the Notice for approval of the shareholders. It is proposed to suitably amend the Articles, as set out in the Resolution, in order to bring the provisions of the Articles of Association in consonance with the Provisions of the Companies Act 1956 for allotting share warrants.

The Board commends the Special Resolution for the Members favourable consideration

None of the Directors is concerned or interested in the said Resolution

Item No 8 & 9 :

- a. With a view to augment long term financial resources for the company and to meet costs in connection with its expansion of business activities ,making other strategic acquisitions, construction of advanced R & D laboratory for seed division and other corporate activities it is proposed to raise the amount not exceeding Rs 25Crores through public offering and private placement of equity shares.

The salient features of the said public offering are mentioned in the Resolution and will be issued on such terms and conditions as may be appropriate at the time of issue. The equity shares so issued will be listed on the appropriate stock exchanges including stock exchange Mumbai. The Special Resolution gives adequate flexibility and discretion to the Board to finalise the terms of the issue including the pricing of the issue in consultation with the lead managers, underwriters, legal advisors and experts. The consent of the shareholders is therefore sought to authorise the Board of Directors as set out in the Resolution to issue the equity shares to the investors (including Promoters, Financial Institutions, Banks, Mutual Funds, Bodies Corporate, NRIs, and other eligible investors) whether or not such investors are members of the Company, by way of one or more private or public offerings, through a public issue (s), Private Placement(s), or combination thereof.

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As per the provisions of the listing agreement as well as Section 81 of the Companies Act 1956, the approval of shareholders by way of Special resolution is required for issue of equity shares to persons other than existing shareholders of the company.

- b. The Company also propose to issue equity shares and share warrants entitling to apply for equity shares or other securities convertible into / exchangeable with equity shares with company, to the promoters of the company as per details given below on the preferential allotment basis in terms of the guidelines for preferential issues contained in chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor protection) Guidelines, 2000 (hereinafter referred to as the, "Preferential Issues Guidelines") including any statutory modification or re-enactment thereof for the time being in force.

The details of the issue and other particulars as required in terms of the Preferential Issue Guidelines are given as under :

- (I) Securities to be Issued: The resolution set out in the accompanying notice is an enabling resolution, entitling the Board to issue equity shares and/or warrants entitling to apply for equity shares or other securities convertible into / exchangeable with equity shares as may be deemed appropriate in the best interest of the company.
- (II) Pricing of Equity Shares / Warrants: Each equity share of the face value of Rs. 10/- shall be issued at a price not being less than Rs 30/- (including a premium of Rs.20/-) per equity shares. Whereas the equity shares arising out of the exercise of option attached to warrant shall be of a face value of Rs 10/- and shall be issued at a price not being less than Rs. 60/- (including a premium of Rs.50/-) per equity shares. Such price has been arrived at with respect to the relevant date i.e. 18th August 2005, as prescribed under the said preferential issue guidelines.
- (III) Terms of Warrants: The Board may allot warrants at a Price not being less than Rs. 60/- per Warrants which will entitle the holders to subscribe for one equity share of the face value of Rs. 10/-, at a Price not being less than Rs. 60/- (including a premium of Rs. 50/-) per equity share of the company against each warrant. An amount, as may be decided by the Board of Directors, not being less than 10% of issue price (i.e. Rs. 6/- per warrant) shall be payable upon subscription of the warrants. The warrants would be allotted on the following terms :
 - The holder of warrants will have an option to apply for and be allotted 1 (one) equity share of the company per warrant any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. In this connection, either the company or the warrant holder will give an advance notice of at least ten days calling upon the other party to exercise / avail the aforesaid option specifying the number of warrants. The warrant holders will be liable to make the payment of the balance sum per warrant for such number of warrants within 10 days of the service of the notice.
 - Upon receipt of the payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating Rs. 10/- onwards equity share capital and the balance amount paid against each warrant, towards the securities premium.
 - If the entitlement against the warrants to apply for the equity shares is not exercised within the period specified in the notice referred hereinabove, the entitlement of warrant holders to apply for equity shares of the company alongwith the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
 - The warrant holders shall also be entitled to any future bonus / rights issue (s) of equity shares or other securities convertible into equity shares by the company, in the same proportion and manner as any other shareholders of the Company for the time being.
 - The warrant by itself does not give to the holder(s) thereof any rights of the shareholders of the Company.
 - The equity shares issued as above shall rank pari passu in all respects with the then existing equity shares of the Company. The warrants and equity shares shall be subject to the Memorandum and Articles of Association of the Company.
- (IV) Lock-in: The Securities issued under the above preferential issue shall be locked-in for a period of one year from the date of allotment.

The lock-in on the shares allotted on exercise of option attached to warrants, if any, shall be reduced to the extent the warrants have already been locked-in.

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(V) Particulars of Subscribers: The Promoters of the Company have agreed to subscribe to the equity shares/ warrants under the said preferential issue, as per the details given below :

Sr. No.	Name of the Proposed subscribers	Category	Number of Equity Shares	Number of Warrants
1	Mr. Chimanlal R. Bhartia	Promoters	75,000	2,00,000
2	Mr. Channulal L. Jhunjhnuwala	Promoters	0	2,00,000
3.	Mr. Shashikant C. Bhartia	Promoters	75,000	2,00,000
4.	Mr. Deepak C. Bhartia	Promoters	75,000	2,00,000
5.	Mr. Ashwin N. Bhartia	Promoters	75,000	2,00,000
6.	Mrs. Snehlata S. Bhartia	Promoters	75,000	2,00,000
7.	Mrs. Neeta D. Bhartia	Promoters	75,000	1,00,000
8.	M/s. Basant Capital Tech Ltd.	Promoters	50,000	1,00,000
9.	Mrs. Vijaya N. Bhartia	Promoters	0	1,00,000
	Total		5,00,000	15,00,000

Any of the equity shares issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any other person/entity/investor within the same category / class, on the same terms and conditions.

VI. Shareholding pattern :

Shareholding pattern giving present position as also considering the full allotment of equity shares arising out of the Securities issued as above is given below :

	Pre issue Shareholding	Post issue Shareholding
Promoters Holding		
Including associate Company	57.96%	74.17%

Shri C.R.Bhartia, Shri C.L.Jhunjhnuwala, Shri S.C. Bhartia and Shri D.C. Bhartia, the promoters of the Company to whom the equity shares and warrants convertible into equity shares are proposed to be allotted and accordingly may be deemed to be concerned or interested in the said resolution.

The Board recommends this Special Resolution for approval of shareholders.

By Order of the Board of Directors

Place: Mumbai
Date : 19th August, 2005

Upendra Somani
Company Secretary

Registered Office :

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

Annual Report 2004 - 2005**REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Fifteen Annual Report together with the audited statement of accounts of the Company for the year ended 31st March, 2005.

1. FINANCIAL RESULTS :

(Rs. in Thousands)

	2004-2005	2003-2004
Turnover	468462	395164
Profit before Interest, Depreciation and Tax	32484	28291
Less : Financial Expenses	9281	9766
Profit before Depreciation	23203	18525
Less : Depreciation	8133	6984
Profit before Tax	15070	11541
Provision for Taxation	1300	1000
Provision for Deferred Tax	1500	1500
Profit after Tax	12270	9041
Provision for Taxation of earlier years	(27)	(2)
Surplus brought forward from Previous Year	30857	27828
Amount available for Appropriations	43100	36867
Appropriations :		
(a) Transferred to General Reserve	3500	3500
(b) Proposed Dividend	3185	2230
(c) Corporate Dividend Tax	447	280
Surplus carried to Balance Sheet	35968	30857

2. DIVIDEND :

Considering satisfactory performance of the company your Directors are pleased to recommend the higher dividend @ 10.00% (Previous Year 7.00%) for the year ended 31st March, 2005 which shall absorb Rs.31.85 lacs (Previous Year Rs.22.30 lacs).

3. MANAGEMENT DISCUSSION AND ANALYSIS :

The main business of the Company is manufacturing of NPK Mixture Granulated Fertilisers and Single Super Phosphate fertilisers. The Company is also engaged in development and marketing of various hybrid seeds. The operation review alongwith Management Discussion and Analysis is given below :

A) OPERATIONS REVIEW

During the year under review your Company has achieved the record performance. The gross Turnover of the company has jumped by 18.55 % to Rs 5081 lacs. The production of fertilisers has gone up by 6.17 % to 101113 MT. The Sales of fertilisers in quantitative terms registered the growth of 10.44 % to 102223 MT. During the year 2004-05 the profit before tax of the company has increased from Rs 115.41 Lacs to Rs 150.70 Lacs . The Company recorded the highest EPS of Rs 3.85 during the year under review.

B) AN OVER VIEW

Because of the excellent materials management and managing the fund flow efficiently the Company could register the record performance during this year. The production and sales have registered the growth as per our plans and it was well supported by the timely procurement of the raw materials. The change in the marketing strategy proved to be successful as it has resulted in the over all growth in the sale of fertilisers as well as seeds. Due to competitive prices supported by the best quality fertilisers the company could achieve this record performance in spite of the severe competition in the Market. Due to the excellent quality of fertilisers and seeds the Company could establish itself in the other states like Madhya Pradesh and Andhra Pradesh etc.

C) CURRENT AND FUTURE OUTLOOK

The State Government has considered positively the long pending Demand of SSP Manufacturers for revision of the Maximum Retail Price (MRP) of SSP fertilisers. As a result of which we will be able to get better price realization in the year 2005-06. The Monsoon is predicted to be satisfactory during the current financial year and accordingly we are hopeful that the demand for fertilisers will show the remarkable growth during this year. The Seed Division has achieved the milestone in the current financial year. The Company has signed the agreement with the International Crop Research Institute for the Semi and Tropic (ICRISAT) to join as member of private sector Hybrid parent Research Consortia. Now the Company is in advantageous position by getting the new high yielding parent varieties of various seeds. The Company has developed new varieties of Hybrid Sweet Corn, Maize, Sunflower & pearl millet, which can give high yield with lower water consumption. The Sorghum Seed developed by the company is very popular & widely accepted by the farmers. The Company is planning to start processing of Sweet Corn. The seed division is poised for the big jump in the current financial year.