

# **BHARAT AGRI FERT & REALTY LTD.**

(Formerly Known as Bharat Fertiliser Industries Ltd.)

## **MUMBAI**



## **28th. ANNUAL REPORT (2012 - 2013)**

# BHARAT AGRI FERT & REALTY LTD.

## BOARD OF DIRECTORS

Shri Yogendra D. Patel  
Chairman & Managing Director

Smt. Anjni Y. Patel  
Joint Managing Director

Ms. Chandni Y. Patel  
Whole Time Director

Shri Kantilal N. Jethwa  
Director

Shri Suresh M. Bhadrecha  
Director

Shri Shirish P. Gajendragadkar  
Director

Shri A. J. Chakote

Shri Shailendra D. Patel, (Fertiliser)

Shri Vijal Y. Patel, (Realty)

Desai Saksena & Associates  
Chartered Accountants, Laxmi Building,  
1<sup>st</sup> Floor, Fort, Mumbai - 400 001.

Village : Kharivali  
Taluka : Wada  
Dist : Thane

Bharat Fertiliser House  
12, Nanabhai Lane, Fort, Mumbai - 23

301, 3rd Floor, Hubtown Solaris, N.S. Phadke  
Marg, Andheri (E), Mumbai - 400 069.

M/S. Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound, L.B.S.  
Marg, Bhandup (West), Mumbai - 400 078.

## COMPANY SECRETARY

CEO

CEO

AUDITORS

PLANT

REGISTERED OFFICE

CORPORATE OFFICE

REGISTRARS FOR SHARE  
TRANSFERS & DEMATERIALISATION

Annual General Meeting on Friday 16th Aug, 2013 at 3.30 p.m.  
at Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road,  
Vile Parle (East), Mumbai - 400 057.

# 28th. ANNUAL REPORT 2012 - 2013

## BHARAT AGRI FERT & REALTY LIMITED

### 28TH ANNUAL REPORT 2012-2013 NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held as detailed below

Day	:	Friday
Date	:	16/08/2013
Venue	:	Sardar Patel Baug Shri Vile Parle Patidar Mandal Parleshwar Road, Vile Parle (East), Mumbai-400 057
Time	:	3.30 P.M.

The Agenda will be as under

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013, Profit and Loss Account for the Accounting year from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013, Auditors' Report and Directors' Report thereon.
2. To Consider payment of Final Dividend on Equity Shares
3. To appoint a Director in place of Miss Chandni Y. Patel who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Shri K. N. Jethwa who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

##### Item No.6

To Consider Re-appointment of Miss Chandni Yogendra Patel as Whole Time Director of the Company for a period of 3 years from 14.05.2013.

To consider and if thought fit to pass with or without modifications the following Resolution as a Special Resolution.

\*RESOLVED THAT pursuant to Sections 196,269,309 and other applicable provisions if any of the Companies Act, 1956 and subject to various approvals required from Statutory Authorities, wherever necessary sanction and consent be and is hereby accorded to the re-appointment of Miss Chandni Yogendra Patel as a Whole Time Director of the company for a period of Three years with effect from 14.05.2013 on the following remuneration:-

Salary	:	Rs. 1,25,000/- per month
Perquisites	:	Subject to a ceiling of 20% of annual Salary per annum
i) Provident Fund	:	Company's contribution subject to ceiling of 12% of the Salary
ii) Gratuity	:	Not to exceed half month's salary for each completed year of service as per payment of Gratuity Act, 1972.

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- iii) **Medical Benefit** : For self and family reimbursement of expenses actually incurred the total cost of which to the company shall not exceed one month's salary in a year or three months salary in a block of three years.
- iv) **Leave** : One month's leave with pay for every eleven month's service.
- v) **Leave Travel** : For self, Father & Mother to and from any place in India, once in year, subject to the condition that only actual fares will be paid and no hotel expenses etc, will be allowed.
- vi) **Conveyance** : Free use of Company's car with Driver. The monetary value of the perquisite will be evaluated as per the Income Tax Rules, 1962.
- vii) **Personal accident:** Personal accident insurance of an amount the premium of which does not exceed Rs. 4000/- per annum.
- viii) **Club** : Fees of clubs subject to maximum of two clubs, provided that no life membership or admission fees is payable.  
(Items i, ii, vi, & vii above will not form part of the perquisites.)

Remuneration as above put together with remuneration payable to other Directors shall not exceed 10% of net profits. Remuneration as above shall be paid as minimum remuneration in the event of absence or inadequacy of profits, subject to Provisions of section II of part II Schedule XII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Draft of the agreement incorporating the terms of appointment as placed before the meeting be and is hereby approved and after obtaining necessary approvals, the engrossment of the said Draft be executed in terms of provisions of Articles of Association of the company under the Common Seal of the Company."

## **Item No.7**

**To Consider and If thought fit to pass with or without modifications the following Resolution as a Special Resolution.**

"RESOLVED THAT the decision of the Board of Directors of the Company be and is hereby ratified and confirmed to assign Keyman's Insurance Policies without consideration taken by the company in the names of Shri Yogendra D. Patel, Chairman & Mg. Director and Smt. Anjni Y. Patel, Jt. Mg. Director in their favour to appreciate their valuable contribution for the last many years in the revival of Company's position from status of BIFR Unit and also diversified business in Realty & Agriculture Division and bringing the company on dividend list after 13 years".

"RESOLVED FURTHER THAT the due to assignment of above mentioned policies total managerial remuneration for the year 2012-13 under section 269 read with Schedule XIII of the Companies Act 1956 will be exceeded by 0.72% (Rs.20,38,476/-) only be and is hereby approved"

**Bharat Agri Fert & Realty Ltd.**

Place : Mumbai

Dated : 16<sup>th</sup> May 2013

A. J. Chakote  
Company Secretary

**Registered Office:** Bharat Fertiliser House  
12 Nanabhai Lane, Fort Mumbai 400 023.

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## NOTES

- 1) A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- 2) The register of Member and Share Transfer Books of the Company will remain closed from Tuesday the 06/08/2013 To Friday the 16/08/2013 (both days inclusive).
- 3) Proposed balance dividend if sanctioned by General Body will be paid before 15/09/2013
- 4) Members are requested to bring copy of the Annual Report with them at the time of Meeting.
- 5) Members are requested to immediately notify the Company Change in their registered address, if any.
- 6) In terms of the directive from Stock Exchange, Mumbai, the company has appointed common agent for share registry work and dematerialisation work. The name and address of the Registrars and Transfer Agents are as under :

**Link Intime India Pvt. Ltd.**  
**Registrars for share transfers and Dematerialisation**  
**C-13 Pannalal Silk Mills Compound**  
**LBS Marg, Bhandup West**  
**Mumbai 400078.**

The shareholders are requested to contact the Registrars for necessary assistance in the matter of share transfers and dematerialisation on Primary No.022-25946970 and e-mail ID [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

- 7) With a view to fall in line with the directive of Ministry of Corporate Affairs as per Green Initiative in Corporate Governance, the company has decided to opt for paperless compliance and e-mail Balance Sheet to Shareholder electronically, instead of mailing Physical copies.  
Shareholders are requested to Inform their E-mail ID to the Company to send them Balance Sheet electronically. Our E-mail Id is [bflshivsal@gmail.com](mailto:bflshivsal@gmail.com)
- 8) Shareholders are requested to send their queries in respect of Financial Accounts of the Company for the year ended 31<sup>st</sup> March, 2013 at least a week in advance so as to enable the management to keep the information ready at the time of Annual General Meeting.

1. Details of Director seeking reappointment at ensuing Annual General Meeting.

Name of Director	:	Miss Chandni Y. Patel
Date of Birth	:	23/11/1985
Date of Appointment	:	27/09/2010
Nature if experience in specific Functional Area	:	General Administration
Directorships in other Companies	:	NIL
Names of Committees of other Companies in which the Director is a Member	:	NIL

**2. Details of Director seeking reappointment at ensuing Annual General Meeting.**

<b>Name of Director</b>	:	<b>Shri Kantilal N. Jethwa</b>
<b>Date of Birth</b>	:	<b>02/12/1944</b>
<b>Date of Appointment</b>	:	<b>03/07/1997</b>
<b>Nature of experience in specific Functional Area</b>	:	<b>Operation Executive of Fertiliser &amp; Realty Division.</b>
<b>Directorships in other Companies</b>	:	<b>Wada Alums &amp; Acids Pvt. Ltd..</b>
<b>Names of Committees of other Companies in which the Director is a Member</b>	:	<b>NIL</b>

**Explanatory statement as required by Section 173(2) of the Companies Act 1956**

The following explanatory statement relating to Item No. 6 & 7 of the accompanying Notice sets out all Material facts as required under section 173 of the Act:

**Item No. 6**

**Miss Chandni Y. Patel was appointed as Whole Time Director at the Annual General Meeting held on 27<sup>th</sup> September 2010 . Accordingly an Agreement dated 14/10/2010 was entered with her by the company for her appointment as Whole Time Director for 3 years from 14.05.2010 to 13.05.2013.**

In view of her excellent performance it is proposed to reappoint her for a period of 3 years from 14.05.2013 to 13.05.2016.

The Board recommends to approve the proposal as contained in Item No.6 of the Notice convening this Meeting.

**Item No. 7**

The Company had taken Keyman's Insurance policies which were assigned to Shri Yogendra D. Patel, Chairman & Mg. Director and Smt. Anjni Y. Patel, Jt. Mg. Director respectively without taking any consideration thereby an excess amount of Rs.20,38,476/- will be payable to them under total Managerial Remuneration which exceeds 0.72% over 10% for the year 2012-13 only.

The Board recommends to members to approve the proposal contained in the Item No.7 of Notice convening this Meeting.

**Bharat Agri Fert & Realty Ltd.**

**Place : Mumbai**

**A. J. Chakote**

**Dated : 16<sup>th</sup> May 2013**

**Company Secretary**

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## DIRECTORS REPORT TO MEMBERS

Your Directors submit herewith their Report along with the Audited Statement of Accounts for the year ended 31st March 2013.

### FINANCIAL RESULTS

	<b>2012-2013</b> <b>(Rs .in lacs)</b>	<b>2011-2012</b> <b>(Rs .in lacs)</b>
Revenue from Operation	<u>5911.51</u>	<u>3057.32</u>
Earning before Interest and depreciation	2805.54	1282.12
Less : Finance Cost	36.10	43.82
Less : Depreciation	85.22	52.31
Profit before Tax	2684.22	1185.99
Less : Tax Expenses	596.81	247.07
Less : Prior Period Expenses	1.95	0.96
Profit for The Year	2085.46	937.96
Balance brought forward	1781.05	1029.03
<b>Appropriations</b>		
Interim Dividend 10%	52.86	-
Proposed Final Dividend 15%	79.28	79.28
Tax on Dividends (Interim & Proposed)	21.43	12.86
General Reserve	208.55	93.80
Balance Carried to Balance Sheet	<u>3504.39</u>	<u>1781.05</u>

During the year ended 31<sup>st</sup> March 2013, the Company has achieved Turnover of Rs.5911.51 Lacs as against Rs.3057.32 Lacs during corresponding period.

The Accounting Year 2012-2013 has ended in a Profit of Rs.2805.54 Lacs as compared to Profit of Rs.1282.12 Lacs during the corresponding period last year. After providing for finance cost amounting to Rs. 36.10 Lacs and depreciation of Rs.85.22 Lacs, the Company has made a Profit of Rs.2684.22 Lacs as against the Profit of Rs.1185.99 Lacs during the last year. After deducting prior period expenses of Rs.1.95 Lacs and taking into account the provision for Taxation for the current year Income Tax of Rs.596.81 Lacs the year has ended in a Profit of Rs.2085.46 Lacs. After adjusting the surplus brought forward amounting to Rs.1781.05 Lacs, interim/proposed dividend/dividend distribution tax of Rs.153.57 Lacs & General Reserves of Rs. 208.55 Lacs, the total Profit of Rs. 3504.39 Lacs is carried to Balance Sheet.

**DIVIDEND**

Your Directors recommend final 25% dividend on paid up equity share of Rs.10/- each for the year ended 31/03/2013 out of which 10% was paid as Interim Dividend.

**Review of Operations****a) Fertiliser Division:-**

The Company has re-started its Fertiliser Unit from 03/07/2012 and stabilized its production and sale during July-March'2013. The Company had entered into long term sale planning with India's Reputed Company like M/s. Chambal Fertilisers & Chemicals Ltd. and M/s. Indian Potash Ltd., for marketing its PSSP/GSSP Fertiliser in bulk with good proceeds and ease Cash Flow in future.

Company also procured prestigious order from State owned NPK Fertiliser unit namely Maharashtra Agro Industries Development Corporation Ltd.,(MAIDC) for sale of 7,000 M.T. SSP Powder which was sold during March 2013.

**b) Realty Division**

The Company has obtained occupation Certificate for all the Buildings in Phase I viz. A, B, C, D, E and 80% Flats were sold till end of the year, leaving 70,000 Sq. Ft. area under un-sold category for future sale.

**c) Agriculture Division**

The Company started organic farming in Surplus Land at Wada and now planning to start aromatic Plant/Grass cultivation such as Patchouli, Palmarosa, Citronella, Votiver etc. in 50 acre Surplus Land and will also set up a distillation plant to extract Aromatic perfumery oil from such grass which can be used by Perfumery Company and our Company could get better business in near future from Agricultural Division.

**Current Year Working****a) Fertiliser Business**

The Company had SSP stock of 16,000 M.T as on 31.03.2013 and is likely to produce additional quantity of approx. 66,000 M.T. during April'2013 to March'2014.

The Company had planned to sell 70,000 M.T. during 2013-14 PSSP/GSSP in the state of Maharashtra against state requirement of 9.00 Lac M.T. SSP through reputed Fertiliser Company having excellent dealers network in Maharashtra districts such as M/s. Indian Potash Ltd., Asia's largest Fertiliser Trading Co. for 30,000 M.T. and M/s. Maharashtra Agro Industries Development Corporation Ltd. for 10,000 M.T. and under own brand "BHARAT" for 30,000 M.T. during 2013-14. Additional Quantity with M/s Chambal Fertilisers & Chemicals Ltd. & M/s Jubilant Industries is under Negotiation for the year 2013-2014.

Rains are well received in most of the districts of Maharashtra & thereby Company is confident to achieve Target as Planned.

Also Raw Material could be planned in advance and since the company's plant is in upto date condition to run at Minimum 50% capacity utilization in 2013-14 and there will be excellent performance in Company operation from Fertiliser Business during 2013-14 with reasonable profit margin.



## b) Realty Business

The company would start PHASE-2 at Majhwada, Thane residential project for construction of balance 2,80,000 Sq.ft. from October 2013 which will be completed in next 4/5 years thus the entire project would be completed by 2017-2018.

The balance stock of ready flats for 70,000 Sq.ft. as on 31.03.2013 of PHASE-1 would be sold during 2013-14 and 2014-2015 to enable the company to have funds arrangement from its own resources for Phase II.

The Company was in the final stage of starting redevelopment of Mumbai office at 12 Nanabhai Lane, Fort, Mumbai 400 023 and the area of 15,000Sq.ft. would be given on lease and this project would be completed in 2014-2015. The company would earn income of Rs. 45.00 Lacs per month on its completion.

The Company's new office premises at HUBTOWN SOLARIS which was funded from own funds generation of Rs. 10.00 Crore to Centralize all business activities under one roof for better management, productivity under the guidance of Board of Directors for future benefit.

The Company has already received MoEF permission Letter No : SEAC 2012/CR-288TC-2 dated 17<sup>th</sup> May-2013 for Phase-II project and will be shortly apply to TMC for necessary approval of Plans.

## c) Agriculture Business:

The company wishes to develop its Agriculture Division by cultivation of aromatic Plants like patchouli, Palmarosa, Citronella, Vetiver etc. and planning to produce aromatic oils by installations of distillation plants in its surplus land of 50 Acre in phase manner to generate additional income from Agricultural Division & also developing land area with full Green Belt to make Environment better for all livelihood of Local Resident.

## **FERTILISER POLICY**

The Department of Fertiliser, Ministry of Chemicals & Fertilisers, Government of India has issued the Circular No.23011/5/2013-MPR dated 03.05.2013, thereby declaring Subsidy of Rs.3173/- per M.T. on SSP under Nutrient based subsidy(NBS) Policy for 2013-14.

Department of Fertiliser permits SSP Units for use of Imported Rock Phosphate of different countries based on their contents of P2O5 for blending purposes, which will allow SSP Units to plan their procurement of Raw Material from Egypt, Jordan, Iran etc. this decision of DOF is welcome by Industry to meet the short fall of rock phosphate supply while Manufacturing of SSP.

Government of India has issued Circular No.23011/5/2013-MPR dtd 07/05/2013, wherein the release of pending Subsidy claims relating to November 2012 onwards are linked to submission of costing cum purchase data and reasonable MRP Fixation by SSP Units in General for increasing more consumption of SSP through P2O5 as compared to DAP.

Also Ministry of Agriculture Notified vide letter dt. 01/05/2013 directing all SSP units to supply only GSSP w.e.f. 08/05/2014 & no Powder SSP will be allowed to sale thereafter to farmers due to advantage of Granulated SSP vis-a-viz Powder SSP.

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Our Company has got MPCB consent No.BO/JD-PAMS/RO-KNEIC No.KN-6068-12/R/CC-148 dtd. 30/10/2012 for 1,32,000 TPY valid upto 31/05/2017 for SSP Powder / Granular thereby no additional Capital investment will be required to catch ready market for GSSP for 2014-15 onwards by entering into marketing tie-up arrangement with any reputed Fertiliser Company & Company's own brand "BHARAT" which is very popular among farmers in Maharashtra from last 60 years.

## **Directors**

During the year under report Miss. Chandni Y. Patel & Shri K. N. Jethwa, Directors retire by rotation and being eligible offer themselves for re-appointment. Necessary items have been included in the Notice convening 28<sup>th</sup> Annual general Meeting and the re-appointments of Miss. Chandni Y. Patel & Shri K. N. Jethwa are recommended for approval of members.

## **CORPORATE GOVERNANCE:**

A Report on the Corporate Governance for the period commencing 01.04.2012 is annexed hereto.

## **AUDITOR'S REPORT:**

Report of the Auditors is self-explanatory and replies to observations of the Auditors have been sufficiently covered in the notes forming part of accounts.

## **FIXED DEPOSITS:**

Fixed Deposits amounting to Rs. 139.10 Lacs Were accepted by the Company during the year under report from Shareholders, Related Parties, Directors & their relatives. Fixed Deposit with the Company as at 31/03/2013 is Rs. 178.60 Lacs (Rs. 39.50 Lacs as at 31/03/2012)

## **Donation:**

An amount of Rs. 1.75 Lacs was incurred during the year.

## **ANNEXURE TO DIRECTORS' REPORT:**

Pursuant to Section 217(1) (C) of the Companies Act, 1956 read with the companies (Disclosures of particulars in Directors Report) Rules 1988 the relevant information is given in the Annexure to "A" forming part of this report.

## **PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.**

There are no employees of the company who are in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended to date.