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9th *Annual* *Report* *1997-98*

CERTIFIED TRUE COPY
For Bharat Rasayan Ltd.

Y.D. Sardana
(Y.D. SARDANA)
Company Secretary



Bharat RASAYAN LIMITED



Bharat RASAYAN LIMITED

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BOARD OF DIRECTORS

S.N. GUPTA	Chairman & Managing Director
M.P. GUPTA	Whole Time Director
R.P. GUPTA	Whole Time Director
M.H. BHATT	
V.P. AGGARWAL	
S.C. GUPTA	

COMPANY SECRETARY & COMPLIANCE OFFICER

Y.D. SARDANA

AUDITORS

M/S. SINGAL GOEL & ASSOCIATES

Chartered Accountants
210, Delhi Chamber,
Delhi Gate,
New Delhi - 110 002

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

211, Shivlok House-I,
Karampura Commercial Complex,
Post Box No. 6251,
New Delhi - 110 015

FACTORY

Village Mokhra,
Tehsil Meham,
Distt. Rohtak (Haryana).

NOTE : Company's Shares are listed at :

DELHI STOCK EXCHANGE (Regional Stock Exchange)
THE STOCK EXCHANGE, MUMBAI
NATIONAL STOCK EXCHANGE OF INDIA LIMITED

MEMBERS MAY PLEASE NOTE
THAT NO GIFTS/ COUPONS
SHALL BE DISTRIBUTED
AT THE MEETING.

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NOTICE

The ninth Annual General Meeting of Bharat Rasayan Limited will be held at Ganga Public School, village Hiran Kudna, Rohtak Road, Delhi-110087, on Wednesday, the 30th September, 1998, at 4.00 P.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 1998, the Balance Sheet as at that date and the directors' and auditors' reports thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri S.N. Gupta who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri S.C. Gupta who retires by rotation and is eligible for reappointment.
5. To appoint Auditors of the company and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution :

"RESOLVED THAT the company do hereby accord its consent under section 293(1)(a) of the Companies Act, 1956, to mortgage and/or charge, by the Board of Directors of the company, all or any of the movable or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or the undertakings of the company, for securing any loan/cash credit limits obtained or to be obtained from any bank, financial institution or person(s), together with interest, costs, charges, expenses and any other money payable by the company.

Regd. Office :-

211, Shivlok House-I,
Karampura Commercial Complex,
New Delhi - 110 015
SEPTEMBER 1, 1998

BY ORDER OF THE BOARD

(Y.D. SARDANA)
COMPANY SECRETARY

EXPLANATORY STATEMENT

The explanatory statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business.

As a security for the loans/cash credit limits that the company has taken or may take in future from banks, financial institutions or any other person(s) for its working, the company is required to mortgage substantially all the movable and immovable properties of the company, present and future.

Contd..



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Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company.

Since the mortgaging by the company of its immovable and movable properties as aforesaid in favour of the lenders can be considered to be disposal of the company's properties, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956 for creation of the said mortgage/charge. The Board commends the resolution for your approval.

None of the Directors is interested or concerned in this resolution.

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 such proxy(ies) need not be a member of the company. Proxy(ies) in order to be effective, must be delivered at the registered office of the company, not less than 48 hours before the time of the meeting.
2. The register of members and the share transfer books of the company will remain closed from 14.09.1998 to 30.09.1998 (both days inclusive).
3. The dividend as recommended by the Board of Directors, if declared, will be made payable on or before 11th November, 1998 to those shareholders (or their mandatees) whose names appear in the register of members of the company on 30.09.1998.
4. **Pursuant to section 205A(5) of the Companies Act, 1956, the dividend declared for the financial year ended 31.03.1995 which remains unclaimed will be transferred to the General Revenue Account of the Central Government on 09.11.1998. Shareholders who have not encashed their dividend warrants are requested to surrender the warrants to the registered office of the company for the necessary action immediately. Thereafter they will have to prefer their claims with the Registrar of Companies, N.C.T. of Delhi & Haryana, New Delhi. The unclaimed dividend for the financial year ended on 31.03.1994 has already been transferred to the General Revenue Account of the Central Government.**
5. As per the income tax provisions, the dividend tax on the dividend declared by the members shall be paid by the company and no income tax will be deducted at source from dividend payable to the shareholders.
6. Members are requested to notify immediately any change in their address to the company.
7. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the annual report to the meeting.
8. Members are requested to affix their signatures at the space provided on the attendance sheet annexed to the proxy form and present it at the enquiry counter.
9. Members intending to seek any information on the annual accounts at the meeting are requested to intimate the company atleast seven days before the date of the meeting.
10. **Members may please note that no gifts/coupons shall be distributed at the meeting.**



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DIRECTORS' REPORT

TO THE MEMBERS OF BHARAT RASAYAN LIMITED

Your Directors have pleasure in presenting their ninth Annual Report together with the audited accounts of the company for the year ended 31st March, 1998 :

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	For the Year ended 31.03.1998	For the Year ended 31.03.1997
Sales & Other Income	3150.71	2969.41
Profit before depreciation and income tax	408.19	420.55
Less : Depreciation	72.47	76.46
: Provision for income tax	62.92	88.27
Profit after income tax	272.80	255.82
Surplus brought forward from previous year	159.14	129.80
Profit available for appropriation	431.94	385.62

Appropriations :

Proposed dividend	84.98	76.48
Tax on previous year's dividend	7.65	--
Transferred to General Reserve	175.00	150.00
Balance being surplus carried over to the Balance Sheet	164.31	159.14

YEAR IN RETROSPECT

The selling price of your company's products were under pressure during the year due to stiff competition. However, due to increase in volume and other cost control measures, the company was able to maintain the profits.

EXPORTS

The company has during the year set up a warehouse at Rotterdam (Holland) to ensure the prompt delivery of its products to the buyers, even in small quantities, in European and South American countries. This has resulted in considerable increase in exports. The company's exports (including exports as supporting manufacturer) during the year were Rs. 776.54 lacs (previous year Rs. 529.41 lacs).



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DIVIDEND

Your directors are pleased to recommend a tax free dividend of 20% (previous year 18%). The company's net outgoing on account of dividend (including tax on distributed profits) will be Rs.93.48 lacs (previous year Rs. 84.13 lacs).

FUTURE OUTLOOK

Sales are so far better in comparison to the year under review. Monsoon is in time, in almost all over the country. Directors, therefore, hope that the financial results during the current year, barring unforeseen circumstances, will be better.

FIXED DEPOSITS

The company has accepted during the year the deposits under section 58A of the Companies Act, 1956, and as on 31.03.1998 there was no overdue deposit with the company.

MORTGAGE OF COMPANY'S ASSETS

As security against the loans/ cash credit limits that the company has taken or may take in future from banks, financial institutions etc. the company is required to mortgage substantially all the movable or immovable properties of the company. A resolution for obtaining your consent for the same is proposed to be moved as an ordinary resolution as required under section 293(1)(a) of the Companies Act, 1956. The Board commends the resolution for your approval.

STATUTORY STATEMENTS

- (a) Conservation of Energy, Technology Absorption And Foreign Exchange Earnings/Outgo : Statements pursuant to section 217(1)(e) of the Companies Act, 1956, are annexed.
- (b) Particulars of Employees pursuant to section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 :

Sr. No.	Name of the Employee	Designation	Age (In years)	Qualification	Date of commencement of employment in the company	Experience (In years)	Remuneration (In Rupees)	Previous Employment
1.	Shri S.N. Gupta	Chairman & Managing Director	50	M.A. (Eco.)	15.12.1989	22	17,96,820	Bharat Insecticides Ltd.
2.	Shri M.P. Gupta	Whole Time Director	45	B.Com.	02.05.1994	20	9,78,290	Bharat Insecticides Ltd.
3.	Shri R.P. Gupta	Whole Time Director	32	B.Com.	01.10.1995	12	9,55,160	Bharat Insecticides Ltd.

The remuneration comprises salary, commission based on profit, the company's contribution to Provident Fund and monetary value of perquisites. All appointments are on contractual basis.

DIRECTORATE

Shri S. N. Gupta and Shri S. C. Gupta retire by rotation and being eligible, offer themselves for reappointment.



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AUDITORS

M/s. Singal Goel & Associates, Chartered Accountants, the auditors of the company retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. Your directors commend for their reappointment.

ACKNOWLEDGEMENTS

Your directors gratefully acknowledge the support extended by State Bank of India, company's dealers, customers, suppliers and last but not the least, the shareholders. Your directors also take this opportunity to place on record their appreciation to employees of the company, at all levels, for their dedication and sincere services rendered to the company during the year.

ON BEHALF OF THE BOARD

NEW DELHI
AUGUST 18, 1998

(S.N. GUPTA)
CHAIRMAN & MANAGING DIRECTOR



**ANNEXURE TO THE DIRECTORS' REPORT**

Information under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1998.

A. CONSERVATION OF ENERGY :-

- (a&b) Wherever possible energy conservation measures have already been implemented and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimise the use of energy through improved operational methods and other means are being continued on an ongoing basis.
- (c) The energy consumption and the cost of production is being kept under control.
- (d) Not Applicable.

FORM 'B'**B. TECHNOLOGY ABSORPTION :-****Research & Development (R&D)**

- (1) R&D efforts of the company are directed towards quality control, improvement of existing products and development of new products.
- (2) Improvement in the product quality and cost reduction.
- (3) Studies for cost reduction, improvement of product quality, import substitution & introduction of new products are carried out on an ongoing basis.
- (4) The R&D efforts are totally integrated with the processing activities including development of new products. As such, R&D expenses cannot be segregated.

Technology Absorption, Adaptation & Innovation

- (1) The company has no technical collaboration and the processes are carried out on the standard known technology and efforts are made to improve upon the same on an ongoing basis.
- (2) The company has been in a position to cater to the requirements of customers, both Indian and foreign.
- (3) The company has not imported any technology so far.

C. FOREIGN EXCHANGE EARNINGS & OUTGO :-

- (a) The company is in constant touch with the overseas markets. Efforts are being made to develop new markets and consolidate the existing one by marketing products conforming to international standards.
- (b) Total Foreign Exchange used Rs. 203.44 lacs (previous year Rs.108.95 lacs)
- (c) Total Foreign Exchange earned Rs.641.90 lacs (previous year Rs. 61.87 lacs)

ON BEHALF OF THE BOARD

NEW DELHI
AUGUST 18, 1998.

(S.N. GUPTA)
CHAIRMAN & MANAGING DIRECTOR