



TENTH
ANNUAL REPORT
1998 - 99



CERTIFIED TRUE COPY
For Bharat Rasayan Ltd.


(Y.D. SARDANA)
Company Secretary

Bharat RASAYAN LIMITED

**Bharat RASAYAN LIMITED**

10th Annual Report 1998-99

BOARD OF DIRECTORS**S. N. Gupta***Chairman cum Managing Director***M. P. Gupta***Whole Time Director***P. K. Mittal***Director***R. P. Gupta***Whole Time Director***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)

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

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NOTICE

The tenth Annual General Meeting of **Bharat Rasayan Limited** will be held at Westend Banquet Hall, 25, Bhera Enclave, New Delhi-110 063, on Thursday, the 30th September, 1999 at 4.00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive and adopt the audited Profit & Loss Account for the year ended 31st March, 1999, the Balance Sheet as at that date and the Directors' and Auditors' reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri M. P. Gupta who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :
"RESOLVED THAT Shri Prabhat Kumar Mittal be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri S. N. Gupta be and is hereby re-appointed as the Chairman-cum-Managing Director of the Company for a further period of 5 years w.e.f. 15.12.1999 on the following terms and conditions:

- A. Salary :** Rs. 30,000/- (Rupees thirty thousand only) per month in the scale of Rs.30000-3000-45000.
- B. Commission :** Fifty percent of the profit based commission, payable to Managing and Whole Time Directors, computed in the manner laid down under Sections 349 and 350, subject to the ceiling laid down under Sections 198 and 309 of the Companies Act, 1956, and Schedule-XIII thereto.

RESOLVED FURTHER THAT in addition to above emoluments, he will be entitled to the following perquisites :

CATEGORY : A**1. Housing**

- a. In case the accommodation is hired by the Company**
Upto 60% of his salary over and above 10% of his salary payable by him.
- b. In case accommodation is owned by the Company**
10% of his salary shall be deducted by the Company.
- c. In case no accommodation is provided**
Upto 60% of his salary.

2. Gas, Electricity, Water and Furnishings

Upto 10% of his salary to be valued as per the Income Tax Rules, 1962.

3. Medical Reimbursements

Actual expenses incurred by him for self and family subject to one month's salary per year or 3 months' salary in a period of 3 years.

4. Leave Travel Concession

For self & family once in a year incurred by him in accordance with Rules of the Company.

5. Club Fees

Actual fees of clubs subject to maximum of 2 clubs, excluding admission & life membership fees.

6. Personal Accident Insurance

Premium not to exceed Rs.4,000 per annum

The aggregate monetary value of the above perquisites shall not exceed his annual salary.

Explanation

For the purpose of Category-A family means his spouse, his dependent children and dependent parents.

**CATEGORY : B**

Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per Company's rules, will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

CATEGORY : C

The Company shall, for official purposes, provide Car with Driver and telephone(s) at his residence. These will not be considered as perquisites.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, Mr. S. N. Gupta will be entitled to receive minimum remuneration permissible under Section II of Part II of Schedule-XIII to the Companies Act, 1956, as amended or as may be amended from time to time."

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

"RESOLVED THAT the approval of the Company be and is hereby accorded to the re-appointment of Shri M. P. Gupta as Whole Time Director of the Company for a period of 5 years w.e.f. 01.05.1999 on the following terms and conditions :

A. Salary : Rs. 22,500/- (Rupees twenty two thousand and five hundred only) per month in the scale of Rs.22500-2250-33750.

B. Commission : Twenty Five percent of the profit based commission, payable to Managing and Whole Time Directors, computed in the manner laid down under Sections 349 and 350, subject to the ceiling laid down under Sections 198 and 309 of the Companies Act, 1956, and Schedule-XIII thereto.

RESOLVED FURTHER THAT in addition to above emoluments, he will be entitled to the following perquisites :

CATEGORY : A**1. Housing****a. In case the accommodation is hired by the Company**

Upto 60% of his salary over and above 10% of his salary payable by him.

b. In case accommodation is owned by the Company

10% of his salary shall be deducted by the Company.

c. In case no accommodation is provided

Upto 60% of his salary.

2. Gas, Electricity, Water and Furnishings

Upto 10% of his salary to be valued as per the Income Tax Rules, 1962.

3. Medical Reimbursements

Actual expenses incurred by him for self and family subject to one month's salary per year or 3 months' salary in a period of 3 years.

4. Leave Travel Concession

For self & family once in a year incurred by him in accordance with Rules of the Company.

5. Club Fees

Actual fees of clubs subject to maximum of 2 clubs, excluding admission & life membership fees.

6. Personal Accident Insurance

Premium not to exceed Rs.4,000 per annum.

The aggregate monetary value of the above perquisites shall not exceed his annual salary.

Explanation

For the purpose of Category-A family means his spouse, his dependent children and dependent parents.

CATEGORY : B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per Company's rules, will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are

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not taxable under Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

CATEGORY : C

The Company shall, for official purposes, provide Car with Driver and telephone(s) at his residence. These will not be considered as perquisites.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, Mr. M. P. Gupta will be entitled to receive minimum remuneration permissible under Section II of Part II of Schedule-XIII to the Companies Act, 1956, as amended or as may be amended from time to time."

Regd. Office :

211, Shivlok House-I
Karampura Commercial Complex
New Delhi-110015

September 1, 1999

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

ITEM NO. 5

Shri Prabhat Kumar Mittal was appointed as an Additional Director of the Company on 01.01.1999 by your Board. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose his appointment as a Director, alongwith a deposit of Rupees five hundred only. The Board considers it desirable that the Company should continue to avail itself of his services and hence commends the resolution for your approval.

No other Director except Shri Prabhat Kumar Mittal is interested in the resolution.

ITEM NO. 6

The existing tenure of Shri S. N. Gupta, Chairman-cum-Managing Director of the Company will expire on 14.12.1999.

In view of contribution made and significant services rendered by Shri S. N. Gupta to the Company and having regard to his knowledge and experience, the Board considers that the re-appointment of Shri S. N. Gupta as Chairman-cum-Managing Director of the Company will be beneficial to and in the interests of the Company and hence commends the resolution for your approval.

No other Director except Shri S. N. Gupta is concerned or interested in the Resolution.

ITEM NO. 7

The existing tenure of Shri M. P. Gupta, Whole Time Director of the Company expired on 01.05.1999. The Board of Directors in its meeting held on 30.04.1999 decided to re-appoint Shri M. P. Gupta, subject to the approval of members of the Company, as Whole Time Director of the Company for a period of 5 years with effect from 01.05.1999 on the remuneration and other terms and conditions contained in the Resolution.

In view of contribution made and significant services rendered by Shri M. P. Gupta to the Company and having regard to his knowledge and experience, the Board considers that the re-appointment of Shri M. P. Gupta as Whole Time Director of the Company will be beneficial to and in the interests of the Company and hence commends the resolution for your approval.

No other Director except Shri M. P. Gupta is concerned or interested in the Resolution.

**NOTE :**

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.

Important information for attention of the shareholders

1. Investor Service Centre

The Company has its in-house share department under the overall supervision of Shri Y. D. Sardana, Company Secretary. For any assistance regarding share transfers, transmissions, change of address, non-receipt of dividend, duplicate/missing share certificates and other matters pertaining to your shares, please write to him at the Registered Office of the Company.

2. Company's shares are listed at Delhi Stock Exchange (Regional Stock Exchange), The Stock Exchange, Mumbai and National Stock Exchange of India Limited and upto date annual listing fees have been paid to them.
3. Investors desirous of availing the facility of Electronic Credit of dividend are requested to fill in and send to the Company Secretary the form attached to this Annual Report.
4. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government.
5. Members desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the prescribed Form-2B, attached to this report, to the Company Secretary.
6. The register of members and the share transfer books of the Company will remain closed from 16.09.1999 to 30.09.1999 (both days inclusive).
7. The dividend as recommended by the Board of Directors, if declared, will be made payable on or before 11th November, 1999 to those shareholders or their mandatee(s) whose names appear in the register of members of the Company on 30.09.1999.
8. In their own interest, the members are requested to advise their bank particulars viz. name and address of their bank and their account number to the Company Secretary so that these may be mentioned in their dividend warrants.
9. Members are requested to notify immediately any change in their address and their bank particulars.
10. 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.
11. Members intending to seek any information on the annual accounts at the meeting are requested to intimate the Company at least seven days before the date of the meeting.
- 12. 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 tenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 1999 :

FINANCIAL RESULTS*(Rs. in lacs)*

Particulars	For the year ended 31.03.1999	For the year ended 31.03.1998
Sales & Other Income	4048.04	3150.71
Profit before depreciation & tax	495.76	408.19
Less : Depreciation	69.06	72.47
: Provision for income tax	79.11	62.92
Profit after tax	347.59	272.80
Surplus brought forward from previous year	164.31	159.14
Profit available for appropriation	511.90	431.94
Appropriations		
Proposed dividend	89.22	84.98
Tax on previous year's dividend	8.50	7.65
Transferred to General Reserve	261.40	175.00
Balance being surplus carried over to the Balance Sheet	152.78	164.31

YEAR IN RETROSPECT

The turnover of the Company has increased by 28% and the net profit has increased by 27%.

EXPORTS

The Company's exports (including exports as supporting manufacturer) during the year were Rs.953.55 lacs an increase of 23% over the previous year (Rs.776.54 lacs).

DIVIDEND

Your Directors are pleased to recommend a tax free dividend of 21% (previous year 20%). The Company's net outgoing on account of dividend (including tax on distributed profits) will be Rs.98.15 lacs (previous year Rs.93.48 lacs).

FUTURE OUTLOOK

Directors 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 31.03.1999 there was no overdue deposit with the Company.

INSURANCE

All the properties and insurable interests of the Company including building, plant & machinery and stocks, wherever necessary and to the extent required have been adequately insured.

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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	51	M.A. (Eco.)	15.12.1989	23	22,96,549	Bharat Insecticides Ltd.
2.	Shri M. P. Gupta	Whole Time Director	46	B. Com.	02.05.1994	21	12,33,865	Bharat Insecticides Ltd.
3.	Shri R. P. Gupta	Whole Time Director	33	B. Com.	01.10.1995	13	12,10,734	Bharat Insecticides Ltd.

The remuneration comprise 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 Prabhat Kumar Mittal was appointed by your Board as Additional Director on 01.01.1999. He holds office upto the date of the ensuing annual general meeting. The Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956, to propose his name as director. The Board is of the opinion that his association with the Company will be beneficial to the Company and hence commends the resolution for your approval.

Dr. M. H. Bhatt, Shri Subhash Chander Gupta and Shri V. P. Aggarwal have resigned from the Board of your Company. Your Directors wish to record their appreciation of the valuable services rendered by them during their association with the Company.

Pursuant to the requirements of the Companies Act, 1956, Shri M. P. Gupta retires at the forthcoming annual general meeting of the Company and being eligible offers himself for re-appointment.

The present terms of appointment of Shri S. N. Gupta, as Chairman-cum-Managing Director expires on 14.12.1999 and terms of appointment of Shri M. P. Gupta as Whole Time Director expired on 01.05.1999. Your approval under Section 309 of the Companies Act, 1956, for their re-appointment and revision of their remuneration is sought in the annual general meeting.

YEAR 2000 COMPLIANCE

The Company is using Computers/Personal Computers for its Pay Roll, Accounts, Share transfer, Stores, Internet, Email and MIS functions. The Company had drawn out a detailed programme for addressing the issues arising from the Year 2000. The programme covered an in-depth study of existing hardwares, softwares and peripherals in the Company and also covered the key customers, suppliers and other business associates. The Company has already taken necessary steps and now the Company is fully Y2K Compliant. The total expenditure involved is estimated to Rs. 1.25 lacs.

The Company has sufficient internal resources to address any system disruption due to Y2K issues.

**Bharat RASAYAN LIMITED***10th Annual Report 1998-99***AUDITORS**

M/s. Singal Goel & Associates, Chartered Accountants, the auditors of the Company retire at the ensuing annual general meeting and being eligible offer themselves for re-appointment. Your Directors commend for their re-appointment.

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, 1999*

(S. N. Gupta)
Chairman & Managing Director

