

**ELEVENTH
ANNUAL REPORT
1999-2000**

CERTIFIED TO BE TRUE COPY

Report



Junction

for Bharat Rasayan Limited

[Signature]
Company Secretary



**Bharat
RASAYAN LIMITED**

**Bharat RASAYAN LIMITED***11th Annual Report 1999-2000***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****Rabi Satapathy****AUDITORS****M/s. B. K. Goel & Associates**

Chartered Accountants

P-16, N.D.S.E. - II

New Delhi-110 049

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)

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

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**Bharat RASAYAN LIMITED***11th Annual Report 1999-2000***NOTICE**

The eleventh Annual General Meeting of **Bharat Rasayan Limited** will be held at Westend Banquet Hall, 25, Bhera Enclave, New Delhi-110 063, on Friday, the 29th September, 2000 at 2.00 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, 2000, the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To approve the interim dividend paid as the dividend for the financial year 1999-2000.
3. To appoint a Director in place of Shri R. 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 subject to the applicable provisions of the Companies Act, 1956, Shri R. P. Gupta, a Director of the Company be and is hereby re-appointed as the Whole Time Director of the Company for a further period of 5 years with effect from 01.10.2000 on the following terms and conditions:

- A. **Salary** : Rs.22,500/- (Rupees Twenty Two Thousand and Five Hundred only) p.m. 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.
- C. **Perquisites** : In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary. For this purpose, perquisites are classified into three categories, 'A', 'B' and 'C' as follows :

CATEGORY : A**1. Housing**

- a) In case the hired accommodation is provided by the Company, the expenditure by the Company on hiring unfurnished accommodation for him will be subject to the ceiling of sixty percent of his salary over and above ten percent payable by him.
- b) In case the accommodation provided to him is owned by the Company, ten percent of his salary shall be deducted by the Company.
- c) In case no accommodation is provided by the Company, he shall be entitled to house rent allowance as may be approved by the Board subject to ceiling of sixty percent of his salary.

2. Gas, Electricity, Water and Furnishings

If provided by the Company, shall be valued as per Income Tax Rules, 1962 and shall be restricted to 10% of his salary.

3. Medical Reimbursement

Medical expenses incurred by him for self and his family subject to a ceiling of one month's salary per year or three months' salary over a period of three years.

4. Leave Travel Concession

Leave Travel Concession for him and his family, once in a year, in accordance with the rules of the Company.

5. Club Fees

Club fees, subject to a maximum of two clubs excluding admission and life membership fees.

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6. Personal Accident Insurance

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

The aggregate monetary value of the aforesaid 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 the 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 provide car with driver and telephone at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company and paid by him".

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

Amendment in Articles of Association

"RESOLVED THAT the Articles of Association of the Company be altered in the following manner:

After Article 39, insert the following Article as Article 39A.

Dematerialisation of Securities

39A. 1. For the purpose of this Article :

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository ; 'SEBI' means the Securities and Exchange Board of India;

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and

'Security' means such securities as may be specified by SEBI from time to time.

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
3. Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depository Act, and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

4. All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956, shall apply to a depository in respect of the securities held by it on behalf of the



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beneficial owners.

5. a) Notwithstanding anything to the contrary contained in the Companies Act, 1956, or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
6. Notwithstanding anything contained in the Companies Act, 1956, or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of the floppies or discs.
7. Nothing contained in Section 108 of the Companies Act, 1956, or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owner in the record of a depository.
8. Notwithstanding anything contained in the Companies Act, 1956, or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
9. Nothing contained in the Companies Act, 1956, or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Securities holders for the purpose of these Articles."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :
"RESOLVED THAT the Articles of Association of the Company be altered by inserting the following new Article 39B, after the Article No. 39A :

Nomination

- 39B. Notwithstanding anything contained in these Articles or in any other law for the time being in force, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956, and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder(s). Any nominations so made shall be dealt with by the Company in accordance with the provisions of Section 109B of the Companies Act, 1956."

Regd. Office :

211, Shivlok House-I
Karampura Commercial Complex
New Delhi-110 015
September 1, 2000

By Order of the Board

(Rabi Satapathy)
Company Secretary



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EXPLANATORY STATEMENT

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

ITEM NO. 5

The existing tenure of Shri R.P. Gupta, Whole Time Director of the Company will expire on 30.09.2000.

In view of contribution made and significant services rendered by Shri R. P. Gupta to the Company and having regard to his knowledge and experience, the Board considers that the re-appointment of Shri R. 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 R. P. Gupta is concerned or interested in the Resolution.

ITEM NO. 6

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a far safer and more convenient method for holding and trading in the securities of a Company. The Securities and Exchange Board of India (SEBI) has notified compulsory trading of your Company's shares in dematerialised form for all investors w.e.f. December 26th, 2000. Accordingly your Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and In-house Share Registry to enable the shareholders to hold securities in dematerialised form. Therefore, it is proposed that the Company's Articles of Association be suitably altered, as set out in the Resolution, to reflect to provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the securities in such system.

ITEM NO. 7

The Companies (Amendment) Act, 1999, has incorporated a new Section 109A, whereby the shareholders and debenture holders have been given the option to nominate a person in whom shares shall be vested, in the event of shareholder's death. The proposed resolution incorporates the said provisions, in the Articles of Association.

None of the Directors is interested or concerned in Resolutions under Item Nos. 6 and 7. The Board of Directors of your Company recommends the passing of the aforesaid resolutions which as required by the Companies Act, 1956, are to be passed by the members by way of special resolutions.

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. **Brief resume of Shri R. P. Gupta**
Born on 05.03.1966, Shri R. P. Gupta is a commerce graduate having a rich experience of 14 years in Production Planning and Control, Personnel, Inventory and Cost Control. He has been on the Board of Directors of Bharat Rasayan Limited since May, 1989 and w.e.f. 01.10.1995 he is working as Whole Time Director of the Company.



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Important information for attention of the shareholders

1. Investor's Service Centre

The Company has its in-house share department under the overall supervision of Shri Rabi Satapathy, Company Secretary. Share Transfer Committee meetings are held every fortnight. Shares received for transfer are transferred and returned within one month of receipt, provided the documents received are in order. The complaints/queries received from shareholders are replied within ten days. 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 the Company Secretary at the registered office of the Company. For Demat Share Certificates w.e.f. 26.12.2000, please refer to the note on Dematerialisation on Company's Share Certificates appearing on Page 26.

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. 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.

4. 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 obtain the prescribed Form-2B, from the Company Secretary.

5. The register of members and the share transfer books of the Company will remain closed from 18.09.2000 to 29.09.2000 (both days inclusive).

6. **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.**

7. **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.**

8. Financial Calender for the year 2000-01 :

i) Financial Reporting for —

— Quarter ending 30.06.2000	:	End of July, 2000
— Quarter ending 30.09.2000	:	End of October, 2000
— Quarter ending 31.12.2000	:	End of January, 2001
— Quarter ending 31.03.2001	:	End of April, 2001

ii) Annual General Meeting for the year ended 31.03.2001

: End of September, 2001

iii) The results and the notices for the shareholder are normally published in Delhi Editions of Financial Express and Jansatta.

9. Dematerialisation of Shares

The Securities and Exchange Board of India (SEBI) has notified for compulsory trading in Company's shares in dematerialised form from 26.12.2000. The Company is taking necessary steps in this regard. The salient features of the systems are given on Page No. 26 in the report. **The International Security Identification Number (ISIN) allotted to the Company's shares is INE 838B01013.**

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 Eleventh Annual Report together with the audited accounts of the Company for the year ended 31st March, 2000 :

FINANCIAL RESULTS*(Rs. in lacs)*

Particulars	For the year ended 31.03.2000	For the year ended 31.03.1999
Sales & Other Income	3770.77	4048.04
Profit before depreciation & tax	424.34	495.76
Less : Depreciation	74.14	69.06
: Provision for income tax	96.01	79.11
Profit after tax	254.19	347.59
Surplus brought forward from previous year	152.78	164.31
Profit available for appropriation	406.97	511.90
Appropriations :		
Dividend	89.22	89.22
Tax on previous year's dividend	9.81	8.50
Transferred to General Reserve	174.25	261.40
Balance being surplus carried over to the Balance Sheet	133.69	152.78

YEAR IN RETROSPECT

Due to demand constraint and the increased competition, the Company had to reduce its prices and provide extended credit to its clients resulting in lower turnover and profits and increase in receivables.

EXPORTS

The Company's exports (including exports as supporting manufacturer) during the year were Rs. 1272.33 lacs, an increase of 33.43% over the previous year (Rs.953.55 lacs).

DIVIDEND

Taking into consideration its performance, interim dividend for the financial year 1999-2000 was paid by the Company in May, 2000. The Board recommends that the interim dividend @ 21% already paid to the shareholders be declared as the final dividend for the financial year 1999-2000.

FUTURE OUTLOOK

Your Directors hope that the financial results during the current year, barring unforeseen circumstances, will be better.

FIXED DEPOSITS

The Company continues to accept the deposits under Section 58A of the Companies Act, 1956, and as on 31.03.2000 there was no overdue deposit with the Company. All deposits due for payment were either paid or renewed during the year.



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INSURANCE

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

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 yrs.)	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	52	M.A. (Eco.)	15.12.1989	24	18,64,523	Bharat Insecticides Ltd.
2.	Shri M. P. Gupta	Whole Time Director	47	B. Com.	02.05.1994	22	10,25,022	Bharat Insecticides Ltd.
3.	Shri R. P. Gupta	Whole Time Director	34	B. Com.	01.10.1995	14	10,01,549	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.

CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement provides for implementation of certain mandatory requirements in respect of constitution of Board of Directors, Audit Committee, Remuneration of Directors, number of Board Meetings during the year, Management discussion, Analysis Report and appointment and re-appointment of Directors. These mandatory requirements are required to be implemented by the Company by the financial year 2002-03.

The Company is taking necessary steps to implement the mandatory requirements within the required schedule. The non-mandatory requirement will also be implemented, to the extent possible; in due course.

DIRECTORATE

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

The present term of Shri R. P. Gupta as Whole Time Director expires on 30.09.2000. Your approval pursuant to Section 309 of the Companies Act, 1956, for his re-appointment and revision of his remuneration is sought in the annual general meeting.

YEAR 2000 COMPLIANCE

The Company had a smooth Y2K transition to new millennium.