



Bharat RASAYAN LIMITED

(AN ISO 9001:2000 CERTIFIED COMPANY)

**15th
Annual Report
2003-2004**

**Bharat RASAYAN LIMITED**

15th Annual Report 2003-2004

BOARD OF DIRECTORS**Promoter Directors****S.N. GUPTA**

Chairman & Managing Director

M.P. GUPTA

Whole Time Director

R.P. GUPTA

Whole Time Director

Other Directors**P.K. MITTAL**Director (Independent and
Non-Executive)**BIMAL AGARWAL**

Director (Independent)

MOHINDER SINGH AGARWAL

Director (Independent)

**COMPANY SECRETARY &
COMPLIANCE OFFICER****A.C. UPADHYAY****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**

1501, Vikram Tower,

Rajendra Place,

New Delhi - 110 008.

FACTORY

2 KM Stone, Madina-Mokhra Road,

Village Mokhra,

Tehsil Meham,

Distt. Rohtak (Haryana).

**REGISTRAR & SHARE
TRANSFER AGENT****M/S. INTIME SPECTRUM REGISTRY LIMITED**

A-31, 3rd Floor, Near PVR Cinema,

Naraina Industrial Area, Phase-I,

New Delhi - 110 028.

Tel. Nos. : 91-11-51410592-94

Fax No. : 91-11-51410591

Members may please note that no
gifts/coupons shall be distributed
at the meeting

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NOTICE

The 15th Annual General Meeting of Bharat Rasayan Limited will be held at Satyam Banquets, 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087, on Wednesday, the 29th September, 2004, at 10.30 A.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, 2004, the Balance Sheet as on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri R.P.Gupta who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri S.N. Gupta who retires by rotation and is eligible for reappointment.
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 pursuant to Article 116 of the Articles of Association of the Company and pursuant to Schedule-XIII and other applicable provisions of the Companies Act, 1956, and approval of members in the Annual General Meeting, Shri M.P.Gupta be and is hereby re-appointed as the Whole Time Director of the Company for a further period of 5 years with retrospective effect, i.e. 01.04.2004, on the following terms and conditions:

- (A) **Salary** : Rs. 40,000/- (Rupees Fourty Thousand only) per month in the scale of Rs. 40000-1500-46000
- (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, Furnishings

The Company will bear the charges of gas, electricity, water, furnishing etc. as per Company's Rules from time to time which 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 family will be reimbursed, not to exceed Rs. 15,000/- per annum, on submission of relevant bills.

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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.

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 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.

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".

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

"RESOLVED THAT pursuant to Article 116 of the Articles of Association of the Company and pursuant to Schedule-XIII and other applicable provisions of the Companies Act, 1956, and approval of members in the Annual General Meeting, Shri S.N.Gupta be and is hereby reappointed as the Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 15.12.2004.

RESOLVED FURTHER THAT pursuant to Section 310, 311 and Schedule-XIII and other applicable provisions of the Companies Act, 1956, and approval of members in the Annual General Meeting, the remuneration of Shri S.N.Gupta, Chairman & Managing Director of the Company, be and is hereby revised with retrospective effect, i.e. 01.04.2004, on the following terms and conditions :

- (A) **Salary** : Rs. 80,000/- (Rupees Eighty Thousand only) per month in the scale of Rs. 80000-3000-92000
- (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.
- (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.

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- 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, Furnishings

The Company will bear the charges of gas, electricity, water, furnishing etc. as per Company's Rules from time to time which 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 family will be reimbursed, not to exceed Rs. 15,000/- per annum, on submission of relevant bills.

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.

6. Personal Accident Insurance

Premium not to exceed Rs. 8,000/- 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 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.

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".

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

"RESOLVED THAT pursuant to Section 310, 311 and Schedule-XIII and other applicable provisions of the Companies Act, 1956, and approval of members in the Annual General Meeting, the remuneration of Shri R.P.Gupta, Whole Time Director of the Company, be and is hereby revised with retrospective effect, i.e. 01.04.2004, on the following terms and conditions:

- (A) **Salary :** Rs. 40,000/- (Rupees Forty Thousand only) per month in the scale of Rs. 40000-1500-46000



- (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, Furnishings

The Company will bear the charges of gas, electricity, water, furnishing etc. as per Company's Rules from time to time which 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 family will be reimbursed, not to exceed Rs. 15,000/- per annum, on submission of relevant bills.

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.

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 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.

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RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, Mr. R.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 :-

1501, Vikram Tower,
Rajendra Place,
NEW DELHI - 110008.
AUGUST 23, 2004.

BY ORDER OF THE BOARD

(A.C.UPADHYAY)
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

The existing tenure of Shri M.P.Gupta, Whole Time Director of the Company expired on 01.05.2004. The Board of Directors in its meeting held on 31.03.2004 decided to reappoint Shri M.P.Gupta, subject to the approval of the members of the Company, as Whole Time Director of the Company for a period of 5 years with retrospective effect from 01.04.2004 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 reappointment of Shri M.P.Gupta as Whole Time Director of the Company will be beneficial to and in the interest 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.

ITEM NO. 6

The existing tenure of Shri S.N. Gupta, Chairman & Managing Director of the Company will expire on 14.12.2004.

In view of contribution made and significant services rendered by Shri S.N.Gupta to the Company and having regard to his knowledge, experience and outstanding performance, the Board considers that the reappointment of Shri S.N.Gupta as Chairman & Managing Director of the Company will be beneficial to and in the interest 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

As Mr. R.P.Gupta is looking after the factory production and General administration also and he is extending the technical as well as administrative support to the Company. 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 remuneration of Shri R.P.Gupta, Whole Time Director should be revised with retrospective effect from 01.04.2004 and hence commends the resolution for your approval.

No other Director except Shri R.P.Gupta is concerned or interested in the 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. Members/Proxies should bring the attendance slip duly completed. Members who hold shares in dematerialised mode are requested to bring their Client-ID and DP-ID Numbers also for easy reference.



3. The 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.
4. 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.

5. **Nominations**

Members holding shares in physical mode and 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. Members holding shares in dematerialised mode may approach their Depository Participant (DP) in this regard.

6. Pursuant to the directions of SEBI vide Circular No. D&CC/FITTC/CIR-18/2002 dated February 12, 2003, the Company has already appointed M/s. Intime Spectrum Registry Limited, A-31, 3rd Floor, Near PVR Cinema, Naraina Industrial Area, Phase-I, New Delhi-110028, an existing Registrar of demat shares, as Registrar of physical shares and as such Intime is a common agency for dealing with demat and physical shares. The members are requested to deal with aforesaid agency.
7. The share transfer books and register of the Company will remain close from 25.09.2004 to 29.09.2004 (both days inclusive) for the purpose of Annual General Meeting.
8. Information required to be furnished under the Listing Agreement in respect of following directors proposed to be reappointed as Director:

1. **Shri M.P.Gupta**

- | | | |
|------------------|---|-------------------|
| a) Age | : | 50 Years |
| b) Qualification | : | Graduate (B.Com.) |
| c) Experience | : | 27 years |

Mr. Gupta is a Director of the Company since 15.05.1989.

- | | | |
|------------------------|---|------------------------------------|
| d) Other Directorships | : | i) Bharat Insecticides Limited |
| | | ii) Bharat Rasayan Finance Limited |
| | | iii) B R Agrotech Limited |
| | | iv) Siris Crop Sciences Limited |

He is also a member of the Shares Transfer Committee.

2. **Shri S.N.Gupta**

- | | | |
|------------------|---|------------------|
| a) Age | : | 56 Years |
| b) Qualification | : | M.A. (Economics) |
| c) Experience | : | 28 years |

Mr. Gupta is a Director of the Company since 15.05.1989.

- | | | |
|------------------------|---|---------------------------------|
| d) Other Directorships | : | i) Bharat Insecticides Limited |
| | | ii) Siris Crop Sciences Limited |

3. **Shri R.P.Gupta**

- | | | |
|------------------|---|-------------------|
| a) Age | : | 38 Years |
| b) Qualification | : | Graduate (B.Com.) |
| c) Experience | : | 18 years |

Mr. Gupta is a Director of the Company since 15.05.1989.

- | | | |
|------------------------|---|------------------------------------|
| d) Other Directorships | : | i) Bharat Insecticides Limited |
| | | ii) Bharat Rasayan Finance Limited |
| | | iii) Siris Crop Sciences Limited |

He is also a member of the Shares Transfer Committee.

**Bharat RASAYAN LIMITED**

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DIRECTORS' REPORT**TO THE MEMBERS OF BHARAT RASAYAN LIMITED**

Your Directors have pleasure in presenting their 15th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	For the year ended 31.03.2004	For the year ended 31.03.2003
Sales & Other Income	4334.88	5732.89
Profit before interest & depreciation	228.19	895.70
Less : Interest	36.87	86.91
: Depreciation	103.50	109.25
Profit before income tax	87.82	699.54
Provision for Taxation - Current Liability	27.85	203.12
- Deferred Liability	0.36	3.45
Profit after tax	59.61	492.97
Surplus brought forward from previous year	118.30	97.54
Profit available for appropriation	177.91	590.51
Appropriations		
Transferred to General Reserve	100.00	472.21
Balance being surplus carried over to the Balance Sheet	77.91	118.30

FINANCIAL HIGHLIGHTS

Ever increasing stiff competition and use of substituted products has resulted in decreased demand for our products, drastic fall in profitability and turnover of the Company inspite of strict control over fixed overhead. The directors have initiated development of new products. For development of products, the R & D activities and efforts have been increased.

EXPORTS

As there was general slackness in the domestic market, export business has also been affected. The Company's exports (including exports as supporting manufacturer) during the year was Rs. 1541.92 lacs, a decrease of 38.98% over the previous year (Rs. 2526.48 lacs).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report in terms of Clause-49 of the Listing Agreements with Stock Exchanges is enclosed as **Annexure-I**.

DIVIDEND

To face the cut throat competition in pesticides industries and also in view of the unavailability of distributable profits, your directors do not recommend any dividend during the financial year.

FIXED DEPOSITS

The Company continues to accept the deposits under section 58A of the Companies Act, 1956, and as on 31.03.2004 there was no overdue deposit with the Company. All deposits due for payment were either paid or renewed during the year.

INSURANCE

All the properties of the Company have been adequately insured.

**POLLUTION CONTROL**

The Company has taken various initiatives to keep the environment free from pollution. It has already installed various devices in the factory to control the pollution.

AUDITORS & AUDITORS' REPORT

M/s. B.K.Goel & Associates, Chartered Accountants, the auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors commend for their re-appointment.

The report of the Auditors is self explanatory and does not call for any comments from the Directors.

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 given in **Annexure-II**.

b) Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 :

As such there is no employee covered under the said Rules.

c) Directors' responsibility statement pursuant to Section 217(2AA) of the Companies Act, 1956

Your Directors confirm:

1. that in the preparation of the Annual Accounts the applicable accounting standards have been followed. There was no material departures requiring any explanation.
2. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004 and of the profit of the Company for the year ended on that date.
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given in **Annexure-III**.

DIRECTORS

Shri R. P.Gupta and Shri S.N.Gupta retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment.

The tenure of Shri M.P. Gupta as Whole Time Director has expired on 30.04.2004. The Board of Directors recommended his appointment as Whole Time Director for a period of 5 years w.e.f. 01.04.2004 and the resolution for the same is enclosed in the notice for shareholders' approval. Further the tenure of Shri S.N. Gupta will expire on 14.12.2004, the Board of Directors recommended the same in advance and the resolution for the same is enclosed in the notice for shareholders' approval.

DELISTING OF EQUITY SHARES FROM DELHI STOCK EXCHANGE

The securities of your Company has already been delisted from the Delhi Stock Exchange Association Limited w.e.f. 29.12.2003 and the process for delisting of securities from BSE is pending with them. As such, we have submitted the application for delisting along with the necessary documents with BSE. At present the securities of your company are listed with BSE and NSE only.