

19th Annual Report 2007-2008

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Bharat RASAYAN LIMITED
(AN ISO 9001 : 2000 CERTIFIED COMPANY)


Bharat RASAYAN LIMITED
 19th Annual Report 2007-2008
BOARD OF DIRECTORS**Promoter Directors**

S. N. GUPTA
M. P. GUPTA
R. P. GUPTA

Chairman & Managing Director
 Whole Time Director
 Whole Time Director

Other Directors

AJAY GUPTA
SANDESH JAIN
NARESH AGARWAL
PANKAJ GUPTA
RAM KANWAR

Director (Executive)
 Director (Independent & Non-Executive)
 Director (Independent & Non-Executive)
 Director (Independent & Non-Executive)
 Director (Independent & Non-Executive)

COMPANY SECRETARY & COMPLIANCE OFFICER**LAKSHMI GURUNG****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-40, 2nd Floor, Naraina Industrial Area, Phase-II,
 Near Batra Banquet Hall, New Delhi - 110 028.
 Tel. Nos. : 91-11-41410592-94
 Fax No. : 91-11-41410591

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

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NOTICE

The 19th Annual General Meeting of Bharat Rasayan Limited will be held at Satyam Banquets, 6, Bhera Enclave, Paschim Vihar, Outer Ring Road, New Delhi-110087, on Monday, the 29th September, 2008, at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2008 together with the Directors' and Auditors' Reports thereon.
2. To consider declaration of dividend for the financial year ended 31.03.2008.
3. To appoint a Director in place of Mr. Naresh Agarwal 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 Mr. Pankaj Gupta who was appointed as an additional director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article No. 89 of the Articles of Association of the Company and Clause 49 of the Listing Agreement with effect from 24.11.2007 and who holds office upto the conclusion of this Annual General Meeting and being eligible for reappointment and in respect of whom the Company has received a notice in writing pursuant to provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a director of the Company, liable to retire by rotation."

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 No. 116 of the Articles of Association of the Company and applicable provisions of the Companies Act, 1956, approval of the members be and is hereby accorded for appointment of Mr. Ajay Gupta as an Executive Director of the Company for a period of five years w.e.f. 12.05.2008, on the following terms and conditions:

1) Salary	: Rs. 67,200/- per month
2) H.R.A.	: Rs. 25,846/- per month
3) Special Allowance	: Rs. 10,339/- per month
Total	: Rs. 1,03,385/- per month

Perquisites

- 1) Medical Reimbursement : Rs. 15,000/- per annum
- 2) Books & Periodicals : Rs. 24,000/- per annum
- 3) Contribution to EPF and Gratuity Fund as per Company's Rules.
- 4) Use of Company Car, Mobile and Telephone at his residence for official purpose.

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

"RESOLVED THAT Mr. Ram Kanwar who was appointed as an additional director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and



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Article No. 89 of the Articles of Association of the Company and Clause 49 of the Listing Agreement with effect from 10.07.2008 and who holds office upto the conclusion of the Annual General Meeting and being eligible for reappointment and in respect of whom the Company has received a notice in writing pursuant to provisions of Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a director of the Company, liable to retire by rotation."

BY ORDER OF THE BOARD

NEW DELHI
 AUGUST 30, 2008.

(LAKSHMI GURUNG)
 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

Mr. Pankaj Gupta who was appointed as an additional director on 24.11.2007 by your Board, according to the provisions of Section 260 of the Companies Act, 1956, holds office as Director only up to 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 be benefited out of new and innovative ideas of young generation and hence recommends the resolution for your approval.

No other Director except Mr. Pankaj Gupta is concerned or interested in the resolution.

ITEM NO. 6

Mr. Ajay Gupta who was appointed as an additional director on 12.05.2008 by your Board, according to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only up to 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.

Mr. Ajay Gupta has been appointed as an Executive Director and is looking after the production and general administration of the factory. He is also extending the technical as well as administrative support to the Company. In view of contribution made and significant services rendered by Mr. Ajay Gupta to the Company and having regard to his knowledge and experience, the Board considers that the Company should continue to avail itself of his services and hence recommends the resolution for your approval.

No other Director except Mr. Ajay Gupta is concerned or interested in the resolution.

ITEM NO. 7

To broad base the Board and to comply with requirement of Clause 49 of Listing Agreement, Mr. Ram Kanwar was appointed as an additional director on 10.07.2008 as Non-Executive Independent Director, according to the provisions of Section 260 of the Companies Act, 1956, and holds office as Director only up to 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.

Considering his experience of 33 years as an Agricultural Economist, the Board considers it desirable that the Company should continue to avail itself of his services and hence recommends the resolution for your approval.

None of the Directors except Mr. Ram Kanwar is interested or concerned in the resolution.

**Bharat RASAYAN LIMITED****19th Annual Report 2007-2008****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 need not be a member of the Company. Proxies 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. However, detailed Annual Accounts will be available for inspection and copy can be obtained on demand.
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, may obtain the prescribed Form-2B, from the Company or download from the website of Ministry of Corporate Affairs (MCA). Members holding shares in dematerialised mode may approach their Depository Participant (DP) in this regard.
6. M/s. Intime Spectrum Registry Limited (ISRL) acts as a Registrar and Share Transfer Agent on behalf of the Company and is a common agency for dealing with demat and physical shares.
7. The share transfer books and register of members of the Company will remain close from 24.09.2008 to 29.09.2008 (both days inclusive).
8. The Unclaimed Dividend for the financial year ended on 31.03.2001 lying in the unpaid dividend account will be transferred to the Investors Education and Protection Fund (IEPF) Account after 25.10.2008. Members who have not encashed their dividend may lodge their claim with the company immediately.
9. The Dividend, if approved by the members in the ensuing Annual General Meeting, will be paid on or before 28th October, 2008 to those shareholders whose names appear:
 - a) as Member in the Register of Members of the Company after giving effect to all valid share transfers in physical form which are lodged with the Company/Registrar & Share Transfer Agent on or before 29th September, 2008; and
 - b) in respect of the shares in electronic form on the basis of beneficial ownership furnished by National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose as at the end of 29th September, 2008.

Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company Secretary or Registrar & Share Transfer Agent M/s. Intime Spectrum Registry Limited, in respect of their physical shares quoting their folio number.
10. The register of Directors' Shareholding shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

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11. Information required to be furnished under the Listing Agreement in respect of following directors proposed to be appointed/reappointed as Directors:

Particulars	Name of the Directors	
	Mr. Naresh Agarwal	Mr. Pankaj Gupta
Age	26 Years	24 Years
Qualification	Graduate	BBA., LLB
Experience	3 Years	2 Years
Directorship	w.e.f. 30.09.2005	w.e.f. 24.11.2007
Work exposure	Business Development	Legal matters
Directorship in other companies	No	No
Member of any Committee in the Company	- Audit Committee - Remuneration Committee - Shareholders' & Investors' Grievance Committee	- Audit Committee - Remuneration Committee - Shareholders' & Investors' Grievance Committee

Particulars	Name of the Directors	
	Mr. Ajay Gupta	Mr. Ram Kanwar
Age	47 Years	64 Years
Qualification	B.Tech. (Chemical Engineering), Diploma in Management	M.A. (Economics)
Experience	25 Years	33 Years
Directorship	w.e.f. 12.05.2008	w.e.f. 10.07.2008
Work exposure	Looking after the Production and General Administration of the factory	Overall Business strategies
Directorship in other companies	No	No
Member of any Committee in the Company	No	- Audit Committee - Remuneration Committee

BY ORDER OF THE BOARD

NEW DELHI
AUGUST 30, 2008.

(LAKSHMI GURUNG)
COMPANY SECRETARY



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DIRECTORS' REPORT

TO THE MEMBERS OF BHARAT RASAYAN LIMITED

Your Directors have pleasure in presenting their 19th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2008:

FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	For the year ended 31.03.2008	For the year ended 31.03.2007
Sales & Other Income	<u>7002.45</u>	<u>6020.62</u>
Profit before interest & depreciation	<u>644.43</u>	<u>271.69</u>
Less : Interest	<u>45.79</u>	<u>52.03</u>
: Depreciation	<u>89.26</u>	<u>95.88</u>
Profit before income tax	<u>509.38</u>	<u>123.78</u>
Provision for Taxation - Current Liability	<u>139.73</u>	<u>43.55</u>
- Deferred Liability	<u>Nil</u>	<u>10.30</u>
Provision for Dividend	<u>42.49</u>	<u>Nil</u>
	<u>182.21</u>	<u>53.85</u>
	<u>327.17</u>	<u>69.93</u>
Add : Excess provision for tax reversed	<u>66.16</u>	<u>17.64</u>
: Deferred Tax Assets	<u>6.69</u>	<u>Nil</u>
	<u>72.85</u>	<u>17.64</u>
Profit after tax	400.02	87.57
Surplus brought forward from previous year	<u>21.77</u>	<u>34.20</u>
Profit available for appropriation	<u>421.79</u>	<u>121.77</u>
Appropriations		
Transferred to General Reserve	<u>400.00</u>	<u>100.00</u>
Balance being surplus carried over to the Balance Sheet	<u>21.79</u>	<u>21.77</u>

FINANCIAL HIGHLIGHTS

During the year under review, gross receipts were Rs. 70.02 Crores as compared to Rs. 60.20 Crores in the previous year, registering a growth of 16.30%. Exports during the year were Rs. 29.35 Crores as compared to Rs. 24.44 Crores in the previous year, registering a growth of 20.09%. Profit after tax has increased to Rs. 4.00 Crore as compared to Rs. 0.88 Crore in the previous year, registering a growth of 356.80%.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report in terms of Clause-49 of the Listing Agreement with Stock Exchange(s) is enclosed as **Annexure-I**.

DIVIDEND

Your directors are pleased to recommend dividend of 10%. The Company's net outgoing on account of dividend (excluding tax on distributed profits) will be Rs. 42.49 Lacs.

FIXED DEPOSITS

As on 31.03.2008, there was no overdue deposit with the Company. All deposits due for payment were fully paid as on date and there is no deposit under section 58A.

INSURANCE

The Company continues to carry adequate insurance cover for all its assets against foreseeable perils. The Company continues to maintain Public Liability Policy as per the provisions of Public Liability Insurance Act.

POLLUTION CONTROL

The Company has taken various initiatives to keep the environment free from pollution. It has 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 recommend for their re-appointment.



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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 were 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, 2008 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

Your Company has been committed to the principles of good corporate governance and the board of directors always believes in the transparency, accountability and integrity. Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance and Auditor's Certificate on it is given in **Annexure-III**.

DIRECTORATE

Mr. Pradeep Kumar Gupta has resigned from the directorship w.e.f. 16.10.2007. Your Directors wish to place on record valuable advice received from him during his tenure as Director.

Mr. Naresh Agarwal retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for reappointment.

Mr. Pankaj Gupta was appointed as an Additional Director of the Company on 24.11.2007. Mr. Pankaj Gupta holds office upto the date of the ensuing Annual General meeting and the Company has received a notice alongwith the requisite deposit of Rs. 500/- from a member 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 recommends the resolution for your approval.

During the year, Board appointed Mr. Ajay Gupta as an Executive Director for a period of 5 years subject to approval of shareholders. The Company has received a notice alongwith the requisite deposit of Rs. 500/- from a member 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 give high value addition to the Company and hence recommends the resolution for your approval.

Mr. Ram Kanwar was appointed as an Additional Director of the Company on 10.07.2008. Mr. Ram Kanwar holds office upto the date of the ensuing Annual General meeting and the Company has received a notice alongwith the requisite deposit of Rs. 500/- from a member 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 in defining overall business strategies and hence recommends the resolution for your approval.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the support extended by the Company's Bankers, customers, suppliers, all other service providers and associates and last but not the least, the shareholders. Your directors also take this opportunity to place on record their sincere appreciation to employees of the Company, at all levels, for their concerted efforts and services rendered to the Company during the year.

ON BEHALF OF THE BOARD

NEW DELHI
AUGUST 30, 2008.

(S.N.GUPTA)
CHAIRMAN & MANAGING DIRECTOR

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ANNEXURE - I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Company is engaged in the business of agrochemicals. In Indian agrochemicals industry, there is equal presence of Multinational as well as Indian Companies. The MNCs have focused on high-end speciality products whereas Indian players have focused on generic and off-patent products. With the growth of Indian economy and the emphasis placed by the Government on improving productivity in the Agriculture sector, the agrochemicals industry has a pivotal role to play.

The industry has built up large capacities and has many players resulting in high level of competition. Due to seasonal nature of the business and uncertainties involved in the coverage of monsoon, a large inventory is required to be maintained.

Financial Performance with respect to operational performance

During the year under review, gross receipts were Rs. 70.02 Crores as compared to Rs. 60.20 Crores in the previous year, registering a growth of 16.30%. Exports during the year were Rs. 29.35 Crores as compared to Rs. 24.44 Crores in the previous year, registering a growth of 20.09%. Profit after tax has increased to Rs. 4.00 Crore as compared to Rs. 0.88 Crore in the previous year, registering a growth of 356.80%.

Outlook

Having regard to the thrust given by the Central Government to the agriculture sector and overall good monsoon, the outlook for the current year 2008-09 appears to be good. Further, during the year, the Company got registration of the new products.

Risk, Concern and Threats

The overall pesticides business is dependent on monsoon which affects the demand for the agrochemicals. Due to the unusual increase in crude oil prices globally, the prices of raw materials have consequently gone up.

Even though, the agrochemical industry plays a very positive role to increase the productivity of the agriculture but there is always a negative perception in the minds of the people and environmentalists about its effects on environment and agriculture produce.

The industry has to maintain a large inventory and offers extended credit due to seasonality of agricultural operations.

SWOT ANALYSIS

Strength

1. Your Company is one of the foremost Companies in India that has a large manufacturing range of agrochemicals. It is one of the few companies manufacturing own technical grade pesticides from basic raw materials. This gives it an inherent advantage over quality and prices.
2. The Company's products have been widely accepted in foreign markets and our export market is exploring further.
3. The Company has a team of professionally qualified, competent and dedicated managers on its roll.
4. The Company's In-house Research & Development Unit is recognized by Ministry of Science & Technology, Govt. of India, Department of Scientific & Industrial Research, New Delhi.



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Weakness

In today's modern economy with the changing preferences, the business environment is changing at a very fast pace. The multinational companies have been expending huge amounts on R&D for developing new molecules and your company is manufacturing the generic range products. The Company has to gear up its R&D efforts to align itself to the WTO/Patent Regime that will affect most of the manufacturing sectors in India.

Opportunities

1. Several agriculture oriented policy initiatives under implementation by the Government and the availability of credit to the agriculture sector as priority sector are expected to improve the prospects of Agrochemicals industry as a whole.
2. Enhanced awareness among the farming community regarding usage of pesticides for better yields.
3. Export potential of generic pesticides.

Adequacy and Internal Controls System

During the year, the Board and Audit Committee have vigorously interacted with the external auditors of the company to review the overall systems and all major findings and suggestions are complied with and reported to the Audit Committee on a quarterly basis. Further, the Company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use and that the transactions are authorized, recorded and reported correctly.

Human Resources Development

Your Company believes that human resources are the most precious assets of your Company. Your Company's ongoing thrust is to maintain productive work culture and to orient the employees to effectively face the new and emerging challenges emanating from the competitive environment. Number of employees on Company Roll as on 31.03.2008 was 195. Besides, the Company also employed casual workers through contractors during the year. The job description of each member has been defined and performance indicators are monitored accordingly to improve motivation level and to encourage talent. The company has been continuously conducting in-house and external training programmes through Workshops, Conferences, Seminars etc. for its people so as to develop their skills and capabilities.

The industrial relations climate of the Company continues to remain harmonious and cordial.

Cautionary Statement

Statements in the Management Discussion and analysis describing the company's objectives, projections and expectations may be forward looking statements within the meaning of applicable law and regulations. Actual results might differ from those expressed or implied. The important factors that could make a difference to the Company's operations include climatic conditions, economic conditions affecting demand/supply, global players and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.