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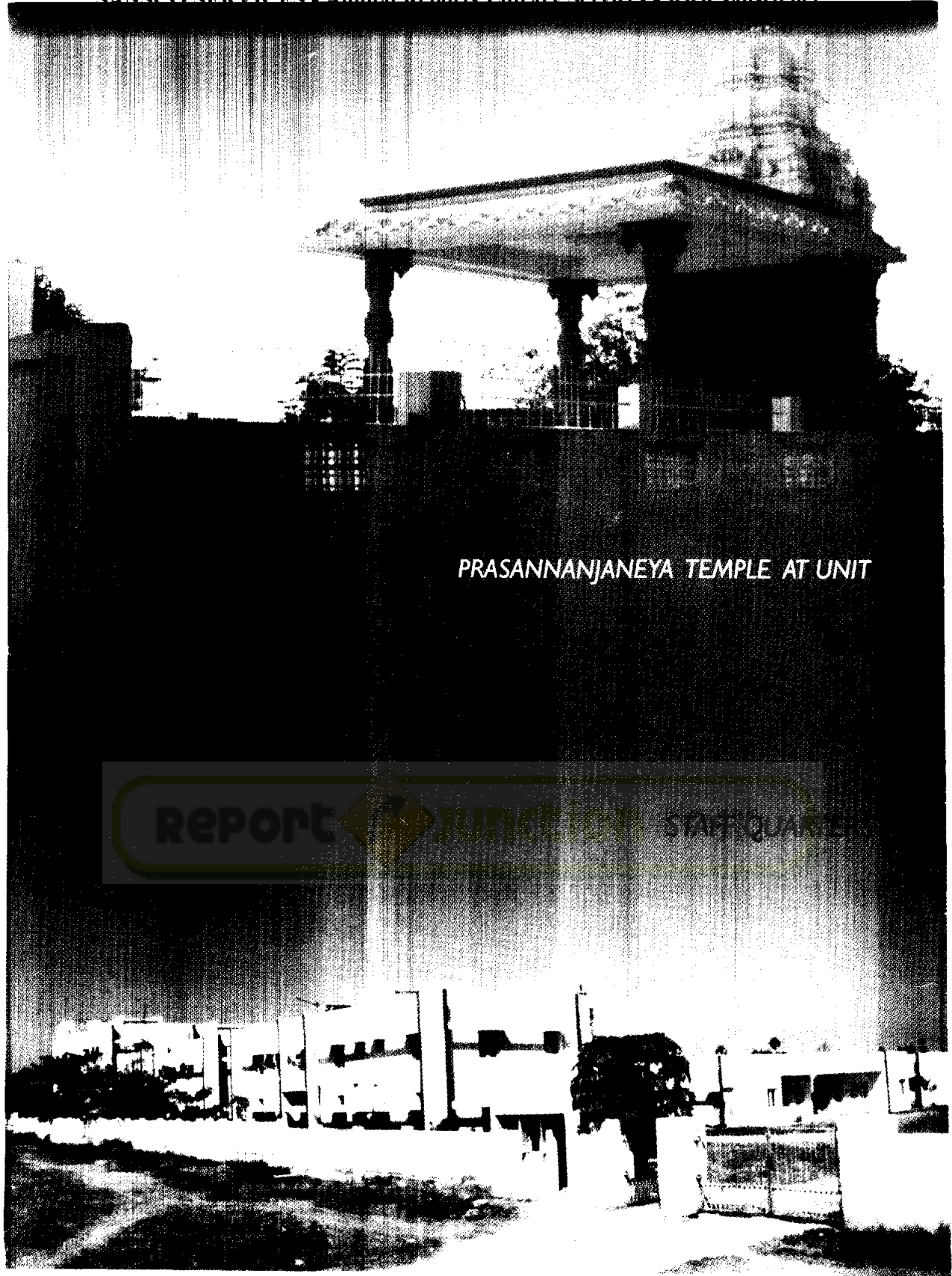


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BHASKAR

ANNUAL REPORT 1999-2000



PRASANNANJANEYA TEMPLE AT UNIT

Report JUNCTION START QUARTER

**BHASKAR AGROCHEMICALS LIMITED****12TH ANNUAL GENERAL MEETING**

Date : 30-09-2000
Time : 11.00 A.M.
Venue : Nagarjuna Nagar
Community Hall,
Nagarjuna Nagar,
Ameerpet,
Hyderabad-500 073

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BHASKAR AGROCHEMICALS LIMITED

BOARD OF DIRECTORS

Sri P. Bhaskara Rao	Chairman
Sri. P. Patabhi Rama Rao	Managing Director
Sri. S. Koteswara Rao	Director
Dr. Ummareddy Venkateswarlu	Director
Smt. P. Durgamba	Director
Dr. K. Lakshminarayana	Director
Smt. P. Rajyalakshmi	Director

AUDITORS

M/s. Lovelock & Lewes
Chartered Accountants,
6-3-550, 2nd Floor, L.B. Bhavan
Somajiguda, Hyderabad - 500 082.

BANKERS

Union Bank of India
Ramkot Branch,
Hyderabad.

REGISTERED OFFICE

25, Lalbahadur Stadium,
Hyderabad - 500 001.

ADMINISTRATIVE OFFICE / SHARES DEPARTMENT

11-5-421/A, Zafar Bagh,
Red Hills, Hyderabad - 500 004.

MONOCROTOPHOS (TECHNICAL) PLANT

Survey No. 286, Lingoigudem,
Choutuppal Mandal,
Nalgonda Dist. (A.P.)

PESTICIDES FORMULATION UNIT

94/1, Toophranpet,
Choutuppal Mandal,
Nalgonda Dist. (A.P.).



BHASKAR AGROCHEMICALS LIMITED

NOTICE TO MEMBERS

Notice is hereby given that Twelfth Annual General Meeting of Bhaskar Agrochemicals Limited will be held on Saturday, the 30th September, 2000 at 11.00 a.m. at Nagarjuna Nagar Community Hall, Nagarjuna Nagar, Ameerpet, Hyderabad - 500 073 to transact the following business.

to conclusion of the next Annual General Meeting on a remuneration of Rs. 1,00,000/- Plus out of pocket expenses."

BY ORDER OF THE BOARD

P. BHASKARA RAO
Chairman

ORDINARY BUSINESS

Place : Hyderabad
Date : 31-07-2000

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2000 and the Profit & Loss Account for the year ended on the date and Reports of the Directors and Auditors.
2. To elect Directors.
 - a) To appoint a Director in the place of Sri. P. Bhaskara Rao, who retires by rotation and being eligible, offers himself for re-election.
 - b) To appoint a Director in the place of Smt. P. Durgamba, who retires by rotation and being eligible, offers herself for re-election.
3. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT M/s. Lovelock & Lewes, Chartered Accountants be and are hereby appointed as Auditors of the Company, from the conclusion of this Annual General Meeting up

NOTES :

1. A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll, to vote on his behalf. Such Proxies should be deposited at the Administrative Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. Shareholders are requested to inform the Company at its Administrative Office at 11-5-421/A, Zafar Bagh, Red Hills, Hyderabad - 500 004, of any change in their registered address.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 25th September, 2000 to Saturday, 30th September, 2000 (both days inclusive).
4. Members attending the meeting are requested to bring the attendance slip sent with the Annual Report and hand over the same at the entrance duly signed.



BHASKAR AGROCHEMICALS LIMITED

DIRECTORS REPORT TO THE MEMBERS

The Directors of your Company have pleasure in presenting their Twelveth Annual Report and Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS :

The Financial results for the Company under review are as follows :

	(Rs. Lakhs.)	
	1999-2000	1998-99
Gross Profit Before Depreciation	7.97	13.49
Provision for Depreciation	82.57	76.14
Ammortisation of Miscellaneous Expenditure	17.11	17.12
Profit/(Loss) before Taxation	(91.72)	(79.76)
Less : Provision for Taxation	--	--
Profit/(Loss) after Taxation	(91.72)	(79.76)
Profit Brought forward From previous year	(5.46)	31.30
Available Surplus/(Deficit)	(97.18)	(48.46)
Surplus/(Deficit) Carried forward	(97.18)	(48.46)

At the very outset, your directors are glad to inform you that despite difficult business environment prevailing in the pesticide Industry, your Company could achieve reasonable growth in volumes and operating margins by recording a turnover of Rs. 2266.68 lakhs (Previous year Rs. 2405.67 lakhs). This is to be viewed against the back drop of steep price erosion and static sales growth in the pesticide industry. The reasons for moderate performance is mainly due to further continuation of adverse season for commercial crops, which not only had a negative

effect on the pesticide consumption but also resulted in poor yields to the user segment. In spite of poor Industry performance, your company could increase its volumes through continuous efforts on market penetration and widening distribution net work there by improving its market share on food crops by launching new products and sustaining its investment in marketing efforts on key Products.

During the year the Monocrotophos plant was to shutdown for 3 months for installation of new equipment intended for manufacture of Quinolphos. The Trial runs have been carried out and commercial production is expected to be commenced shortly.

DIVIDEND :

Keeping in view the financial performance of the Company, your Directors do not recommend any dividend for this year also.

CAPITAL EXPENDITURE :

During the year review the company has incurred capital Expenditure of Rs. 214.13 Lakhs.

FUTURE OUTLOOK :

Pesticide Industry today is witnessing certain positive change and is passing through a transformation to a much better phase. There has been major shakeouts of many units leaving only few players having strong distribution net work in the market including your company who have survived the turbulent times. Monocrotophos is also likely to improve as some of the units in the industry have stopped or curtailed production. Your company is re-orienting its strategies to take advantage of this situation and it hopes to operate at its optimum capacity. Plans are also on the anvil for introducing value-added products so as to improve its performance. Your company is constantly endeavoring to improve its existing product portfolio and develop new ones intandem with the customer's needs.

The current year started on a promising note with



BHASKAR AGROCHEMICALS LIMITED

sales picking up. Company's various initiatives like adding new products to the existing product range, aggressive marketing initiatives supported by improvement in supply chain management, various cost reduction measures and focus on improving customer value would be able to sustain the growth of the company and better its performance in the current year.

Y2K PROJECT :

Your company has successfully rolled over to the new millennium with out any problem.

DIRECTORS :

In accordance with the requirements of the Companies Act, 1956, Sri. P. Bhaskara Rao and Smt. P. Durgamba retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS :

M/s. Love Lock & Lewes, Chartered Accountants, the Company's Auditors retire at the conclusion of this Annual General Meeting. They have intimated their willingness to accept the re-appointment and have confirmed their eligibility under Section 224(1-B) of the Companies Act.

PARTICULARS RELATING TO EMPLOYEES :

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, are set out in a separate statement attached hereto and forms part of this report.

INDUSTRIAL RELATIONS :

The industrial relations continue to be cordial during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS & FOREIGN EXCHANGE EARNINGS AND OUTGO AND PARTICULARS OF EMPLOYEES :

Your Company is not engaged in power intensive industry and the average power consumption has been well within the norms. The requisite information in terms of Companies (disclosures of particulars in the report of Board of Directors) Rules 1988 are set out in a separate statement attached hereto and forms part of report.

ACKNOWLEDGEMENTS :

Your Company is grateful for the cooperation and continued support extended by the Department of Agriculture and other departments of Central Government, Industrial Development Bank of India and Union Bank of India. The Board of Directors gratefully appreciates the dedicated and sincere service rendered by all employees of your Company.

ON BEHALF OF THE BOARD

Place : Hyderabad

P. BHASKARA RAO

Date : 31-07-2000

Chairman



BHASKAR AGROCHEMICALS LIMITED

ANNEXURE TO DIRECTOR'S REPORT-INFORMATION UNDER SECTION 217(I)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT

ENERGY CONSERVATION

Our production is not energy intensive, however, regular steps have been taken to conserve the energy consumption.

FORM - A

(Form for disclosure of particulars with respect to conservation of energy)

	Current Year 12 Months ended 31.3.00	Previous Year 12 months ended 31.3.99
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units-Mwh	12982.06	10202.36
Total amount - Rs. lakhs	61.28	45.05
Rate/Units - Rs.	4.72	4.41
b) Own Generation		
Through diesel generator		
Units-Mwh	2422.66	2618.85
Units per Ltr. of diesel oil	2.81	3.06
Cost/unit (variable)-Rs.	4.10	3.07
B. CONSUMPTION PER UNIT OF (KL/MT) PRODUCTION		
	Current Year 12 Months ended 31.3.00	Previous Year 12 months ended 31.3.99
Liquids	82	87
Solids	121	115
Technical Grade Pesticides	574	598

FORM - B

(Form for disclosure of particulars with respect to technology absorption)

RESEARCH AND DEVELOPMENT-NOT APPLICABLE

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. The present method is indigenous and advanced method is used to upgrade the process.
2. Information required in case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year): Not applicable as there has been no import of technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings	: Nil
Outgo	
CIF Value of imports	: Rs. 25.30 Lakhs



BHASKAR AGROCHEMICALS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF BHASKAR AGROCHEMICALS LIMITED.

We report that we have audited the Balance Sheet of Bhaskar Agrochemicals Limited as at March 31, 2000 and the relative Profit and Loss Account for the year ended on that date both of which we have signed under reference to this report and the above mentioned accounts are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes attached thereto and the Statement on Significant Accounting Policies give in the prescribed manner the information required by The Companies Act, 1956, and also give respectively, a true and fair view of the state of the Company's affairs as at March 31, 2000 and its loss for the year ended on that date.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books.

In our opinion these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act.

As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

A.1. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. As per the phased programme designed by the Company, all tangible fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory were noticed.

2. The fixed assets of the Company have not been revalued during the year.

3. In respect of finished goods, stores, spare parts and raw materials of the Company excluding materials in transit and lying with third parties, physical verification has been conducted by the management at reasonable intervals during the year. Materials lying with third parties have been verified by the management with reference to certificates obtained from them and/or other relevant documents in majority of the cases.

4. In our opinion, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

5. The discrepancies noticed on the physical verification of stock as compared to book records, which were not material, have been properly dealt with in the books of account.

6. In our opinion, the valuation of stocks is fair and proper in accordance with normally accepted accounting principles in India and is on the same basis as in the preceding year.

7. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section 370 are not applicable to a company.

8. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section 370 are not applicable to a company.

9. The parties to whom the loans and advances in the nature of loans have been given are repaying the principal amounts as stipulated and interest regularly where applicable.

10. In our opinion in general there is, an adequate internal control procedure commensurate with