

**19th
Annual Report
2007-2008**



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



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



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.

**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.



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



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

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.



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



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.

**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.



ANNEXURE-II TO THE DIRECTORS' REPORT

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

- (a&b) Wherever possible, energy conservation measures have already been implemented. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an ongoing basis.
- (c) The energy consumption and the cost of production is being kept under control.
- (d) Not Applicable.

B. TECHNOLOGY ABSORPTION

FORM 'B'

Research & Development (R&D)

- (1) R&D efforts of the Company are directed towards quality assurance, improvement of existing products and development of new processes for products.
- (2) Improvement in the product quality and cost reduction.
- (3) Studies for introduction of new products are carried out on an ongoing basis.
- (4) Expenditure on R&D by Company's In-house R&D Unit recognised by Ministry of Science & Technology, Govt. of India, Department of Scientific & Industrial Research, New Delhi.
- | | |
|--|------------------|
| a) Capital | : Rs. 3.67 Lacs |
| b) Recurring | : Rs. 26.02 Lacs |
| c) Total | : Rs. 29.69 Lacs |
| d) Total R&D expenditure (as % of total expenditure) | : 0.45 % |

Technology Absorption, Adaptation & Innovation

- (1) The Company has no technical collaboration and the processes are carried out on the standard known technology and efforts are made to improve upon the same on an ongoing basis.
- (2) The Company has been in a position to cater to the requirements of customers, both Indian and foreign.
- (3) The Company has not imported any technology so far.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

- (1) The Company is in constant touch with the overseas markets. Efforts are being made to develop new markets and consolidate the existing one by marketing products conforming to international standards.
- (2) Total foreign exchange used Rs. 995.08 lacs (previous year Rs. 398.74 lacs)
- (3) Total foreign exchange earned Rs. 2935.18 lacs (previous year Rs. 2443.75 lacs)

ON BEHALF OF THE BOARD

NEW DELHI
AUGUST 30, 2008.

(S.N.GUPTA)
CHAIRMAN & MANAGING DIRECTOR



ANNEXURE-III TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause-49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good Corporate Governance strengthens the Investors' trust and ensures a long term partnership that helps in Company's objectives. The Company's Philosophy on Corporate Governance lays strong emphasis on transparency, accountability, integrity, full disclosures and independent monitoring the state of affairs. The philosophy is manifested in its operations through exemplary standards of ethical behaviour, both within the organisation as well as in external relationships.

2. BOARD OF DIRECTORS

a) Composition and Category of Directors

Presently the Board of Directors of your Company comprises of eight directors, of which four are Executive Directors and the rest are Independent and Non-Executive Directors. There is no nominee director, appointed by any Financial Institution on the board. Thus the requirements of the Listing Agreement are duly complied with. As on 31.03.2008, the composition of the Board of Directors was as under:

Sr. No.	Name of the Director	Category of Directorship	No. of Directorships of other	
			Companies	Committees
1.	Mr. S.N.Gupta	Chairman & Managing Director	2	None
2.	Mr. M.P.Gupta	Executive Director	4	None
3.	Mr. R.P.Gupta	Executive Director	4	None
4.	Mr. Sandesh Jain	Independent / Non-Executive Director	4	3
5.	Mr. Naresh Agarwal	Independent/Non-Executive Director	None	None
6.	Mr. Pankaj Gupta	Independent/Non-Executive Director	None	None

b) Mr. S.N.Gupta is the Executive Chairman of the Company.

c) Meetings and Attendance

During the financial year 2007-08, Twenty (20) board meetings were held. The dates on which the said meetings were held are as follows:

14.04.2007	30.04.2007	28.05.2007	18.06.2007
25.06.2007	07.07.2007	31.07.2007	08.08.2007
16.08.2007	27.08.2007	26.09.2007	16.10.2007
30.10.2007	24.11.2007	07.12.2007	21.12.2007
31.01.2008	04.02.2008	01.03.2008	21.03.2008

The Annual General Meeting was held on 28.09.2007.

The attendance of the Directors in the meetings was:

Sr. No.	Name of the Director	Category of Directorship	Attendance at	
			Board Meetings	A.G.M. held on 28.09.2007
1.	Mr. S.N.Gupta	Chairman & Managing Director	19	Yes
2.	Mr. M.P.Gupta	Executive Director	20	Yes
3.	Mr. R.P.Gupta	Executive Director	17	Yes
4.	Mr. Sandesh Jain	Independent / Non-Executive Director	15	Yes
5.	Mr. Naresh Agarwal	Independent / Non-Executive Director	10	No
6.	Mr. Pankaj Gupta*	Independent / Non-Executive Director	05	N.A.
7.	Mr. Pradeep Gupta#	Independent / Non-Executive Director	07	No

*Appointed on 24.11.2007

#Resigned on 16.10.2007



3. AUDIT COMMITTEE

i) Composition and Category of Members

Presently the Audit Committee comprises of four members all of which are Independent/Non-Executive Directors. As on 31.03.2008, the composition of the Audit Committee was as under:

S.No.	Name of the Member	Category of Member
1.	Mr. Sandesh Jain, Chairman	Independent / Non-Executive Director
2.	Mr. Naresh Agarwal	Independent / Non-Executive Director
3.	Mr. Pankaj Gupta	Independent / Non-Executive Director

Mr. Sandesh Jain is the Chairman of the Committee and the Company Secretary acts as the Secretary of the Audit Committee.

ii) Meetings and Attendance

During the financial year 2007-08, Five (5) meetings were held. The dates on which the said meetings were held are as follows:

30.04.2007	31.07.2007	27.08.2007	30.10.2007	31.01.2008
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The attendance of the members in the meetings was:

Sr.No.	Name of the Member	Category of Member	Numbers of Meetings Attended
1.	Mr. Sandesh Jain	Independent / Non-Executive Director	5
2.	Mr. Naresh Agarwal	Independent / Non-Executive Director	5
3.	Mr. Pankaj Gupta*	Independent / Non-Executive Director	1
4.	Mr. Pradeep Gupta*	Independent / Non-Executive Director	3
5.	Mr. R. P. Gupta®	Executive Director	1

*Appointed on 24.11.2007

*Resigned on 16.10.2007

®Mr. R. P. Gupta was co-opted in Audit Committee to form the quorum.

iii) Brief description of terms of reference

The terms of reference to the Audit Committee are as per guidelines given in the Code of Corporate Governance and Clause 49 of the Listing Agreement.

4. REMUNERATION COMMITTEE

i) Composition and Category of Members

Presently the Remuneration Committee comprises of four members all of which are Independent/Non-Executive Directors. As on 31.03.2008, the composition of the Remuneration Committee was as under:

S.No.	Name of the Member	Category of Member
1.	Mr. Sandesh Jain, Chairman	Independent / Non-Executive Director
2.	Mr. Naresh Agarwal	Independent / Non-Executive Director
3.	Mr. Pankaj Gupta	Independent / Non-Executive Director

Mr. Sandesh Jain is the Chairman of the Committee and the Company Secretary acts as the Secretary of the Remuneration Committee.

ii) Meetings and Attendance

There was no meeting held during the financial year 2007-08.



iii) **Brief description of terms of reference**

The terms of reference to the Remuneration Committee are as per guidelines given in the Code of Corporate Governance and Clause 49 of the Listing Agreement.

iv) The Remuneration Committee has power to determine the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and such other terms of reference as may be assigned to it by the Board of Directors from time to time.

v) **Details of remuneration to the whole time directors during the year 2007-08:**

(Amount in Rupees)

Particulars	Mr. S.N.Gupta	Mr. M.P.Gupta	Mr. R.P.Gupta
Salaries	28,20,568	14,10,283	14,10,283
Employer contribution to P/F & Gratuity	Nil	9,360	9,360

All the whole-time directors have been provided the company's car and the telephone at their residences for official use.

No sitting fee has been given to any director during the year under review.

5. SHAREHOLDERS' COMMITTEE

A) Shareholders and Investors' Grievance Committee

i) **Composition and Category of Members**

The Shareholders and Investors' Grievance Committee of the Board of Directors comprised of three members. As on 31.03.2008, the composition of the Committee was as under:

S.No.	Name of the Member	Category of Member
1.	Mr. Pankaj Gupta, Chairman	Independent / Non-Executive Director
2.	Mr. Naresh Agarwal	Independent / Non-Executive Director
3.	Mr. M.P.Gupta	Executive Director

Mr. Pankaj Gupta is the Chairman of the Committee. The Company Secretary being Compliance Officer acts as a Secretary of the Shareholders and Investors' Grievance Committee.

ii) **Meetings and Attendance**

During the financial year 2007-08, Four (4) meetings were held. The dates on which the said meetings were held are as follows:

09.04.2007	02.07.2007	01.10.2007	01.01.2008
------------	------------	------------	------------

The attendance of the Members in the meetings was:

Sr. No.	Name of the Member	Category of Member	Numbers of Meetings Attended
1.	Mr. Pankaj Gupta*	Independent / Non-Executive Director	1
2.	Mr. Naresh Agarwal	Independent / Non-Executive Director	3
3.	Mr. M.P.Gupta	Executive Director	4
4.	Mr. Pradeep Gupta#	Independent / Non-Executive Director	3

*Appointed on 24.11.2007 #Resigned on 16.10.2007



iii) **Brief description of terms of reference**

The terms of reference of the Investors' Grievance Committee are as per the guidelines given in the Listing Agreement with the Stock Exchanges and includes looking into Investors' Complaints/Grievances, approval and registration of transfers and/or transmission of securities and allotment of further securities and all incidental head thereto.

- iv) During the financial year 2007-08, the Shareholders & Investors' Grievance Committee Meeting of the Company took on record the status of 2 complaints/requests received from the shareholders. The average time taken to resolve the complaints was 7 days.
- v) There was no complaint, which was not resolved to the satisfaction of the shareholder.
- vi) The Company had no pending shares transfer at the close of the financial year.
- vii) The Company had no pending transmission at the close of the financial year.

B) Share Transfer Committee

The Company has also formed the Shares Transfer Committee and the Board has delegated the power of shares transfer to this committee. As on date Mr. M.P.Gupta, Mr. R.P.Gupta, Whole Time Directors and Mr. Sandesh Jain, Director of the Company are its members. The Committee is meeting on an average basis three times in a month to transact the cases related with shares transfers and dematerialisation of shares.

6. GENERAL BODY MEETINGS

No. of AGM	Year ended	Venue	Date and Time	Whether Special Resolution passed?
18th	31.03.2007	Satyam Banquets, 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087	28.09.2007 10:30A.M.	No
17th	31.03.2006	Punjabi Bagh Club, Ring Road, Punjabi Bagh, New Delhi-110026	30.09.2006 10:30A.M.	No
16th	31.03.2005	Satyam Banquets, 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087	30.09.2005 10:30A.M.	No

7. DISCLOSURES

i) **Details of materially significant related party transactions**

None of the transactions with any of the related parties mentioned in the Notes to the Accounts were in conflict with the interest of the Company. The transactions entered into are based on consideration of various business exigencies such as synergy in operations sectoral specialization etc. and are negotiated on arms length basis and are only intended to further the interest of the Company.

ii) **Compliance by the Company**

The Company has complied with the requirements of Stock Exchanges, SEBI and other Statutory Authority(ies) during the preceding three financial years on all matters related to Capital Markets and no penalties/strictures were imposed on the Company.

8. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board at its meeting held on December 1, 2005 has adopted the Code of Conduct. This Code is a comprehensive code applicable to all Directors, Executives as well as Non-Executives, as well as members of Senior Management.

A copy of the Code of Conduct has been put on the Company's Website, viz. www.bharatgroup.co.in.



The Code has been circulated to all the members of the Board and Senior Management and they have affirmed the Compliance of the same. A declaration signed by the Chairman & Managing Director is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of financial year 2007-08."

(S.N.GUPTA)

Chairman & Managing Director

9. WHISTLER BLOWER MECHANISM

The Company promotes ethical behavior in all its business activities and has put in places mechanism of reporting illegal or unethical behavior. Employees are free to report violation of laws, rules and regulations or unethical conduct to their immediate Supervisors/notified Persons/Audit Committee. The report received from any employee will be reviewed by the Directors/Senior Management/Audit Committee and are obligated to maintain confidentiality of such reporting and ensure that the Whistler Blower are not subjected to any discriminatory practice.

10. MEANS OF COMMUNICATION

- i) The quarterly and half-yearly financial results are generally published in the widely circulating national and local newspapers such as "**The Financial Express**" - English Edition and "**Jansatta**" - Hindi Edition. These are not sent to each shareholders.
- ii) **Website** : The Company's financial results/official news releases and other important investor related information are periodically displayed and updated on the company's website, viz. **www.bharatgroup.co.in**.
- iii) Presentation made to institutional investors or to the analysts: Not Applicable.
- iv) Management Discussion and Analysis Report forms part of Directors' Report.

11. GENERAL SHAREHOLDERS' INFORMATION

i) Annual General Meeting

The next annual general meeting is scheduled to 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.

ii) Financial Calender for the year 2008-09

a) Financial Reporting for -

- Quarter ending 30.06.2008	:	End of July, 2008
- Quarter ending 30.09.2008	:	End of October, 2008
- Quarter ending 31.12.2008	:	End of January, 2009
- Quarter ending 31.03.2009	:	End of April, 2009

b) Annual General Meeting for the year ended 31.03.2009

: End of September, 2009

iii) Book Closure Date

The register of members and share transfer books of the Company will remain closed from **24.09.2008 to 29.09.2008** (both days inclusive).

iv) Dividend

i) Dividend Payment Date

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 24th 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 24th September, 2008.

ii) **Unclaimed Dividend**

Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 2001 which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investors Education and Protection Fund (IEPF) of the Central Government after 25.10.2008. Thereafter no claim shall lie with the Company in respect of such dividend.

v) **Listing on Stock Exchange**

Company's shares are listed at **National Stock Exchange of India Limited (NSE)** and upto date annual listing fees has been paid to them.

vi) **Stock Code**

National Stock Exchange of India Limited : **BHARATRAS**

vii) **Market Price Data and Sensex Comparison (High/Low)**

Monthly High and Low quotations of shares traded and sensex on NSE during the financial year 2007-08 are as follows:

Month and Year	NSE Market Price Data		NSE[S&P Nifty] Indices	
	High (in Rs.)	Low (in Rs.)	High	Low
April, 2007	55.65	50.25	4217.90	3617.00
May, 2007	59.45	51.20	4306.75	3981.15
June, 2007	59.75	51.50	4362.95	4100.80
July, 2007	59.70	51.30	4647.95	4304.00
August, 2007	57.50	51.40	4532.90	4002.20
September, 2007	69.95	54.45	5055.80	4445.55
October, 2007	62.00	52.00	5976.00	5000.95
November, 2007	67.85	54.30	6011.95	5394.35
December, 2007	69.00	55.55	6185.40	5676.70
January, 2008	131.70	70.10	6357.10	4448.50
February, 2008	90.00	60.50	5545.20	4803.60
March, 2008	73.65	46.55	5222.80	4468.55

viii) **Registrar and Share Transfer Agent and Share Transfer System of the Company**

The shares are accepted for registration and transfer at the registered office and also at the office of Registrar and Share Transfer Agent (RTA) - **M/s. Intime Spectrum Registry Limited (ISRL)**. ISRL has a separate department headed by the Deputy Head - Share Registry, and assisted by dealing assistants to attend the investors' queries on issue of share certificates, share transfers and related matters. ISRL is fully equipped with the latest computers and professional manpower to undertake the activities of share transfers and redressal of shareholders' grievances. ISRL processes the shares for transfer and forwards the same to the Company for approval of the Shares Transfer Committee of the Board set up for the purpose. The Committee meets periodically for approving shares transfer and other related activities. This Committee is working under the Chairmanship of Mr. M.P.Gupta, Executive Director. The shareholders who donot get prompt response from the R&T Agent may write to Mr. Pankaj Gupta, Non-Executive Director and Chairman of Shareholders and Investors' Grievance Committee at the Registered Office of the Company.



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The address and other details of our Registrar and Share Transfer Agent (RTA) is as follows:

M/s. Intime Spectrum Registry Limited

A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028.

Tel. Nos. : 91-11-41410592-94, Fax No. : 91-11-41410591

ix) Distribution of Shareholding as on 31.03.2008

Category Code	Category of Shareholder	Total Number of shares	Total shareholding as a % of total number of shares
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP		
(1)	Indian		
(a)	Individuals / Hindu Undivided Family	2892872	68.09%
(b)	Bodies Corporate	215172	5.06%
	Sub-Total (A)(1)	3108044	73.15%
(2)	Foreign	Sub-Total (A)(2)	—
	Total shareholding of Promoter and Promoter Group	[(A)=(A)(1)+(A)(2)]	3108044
			73.15%
(B)	PUBLIC SHAREHOLDING		
(1)	Institutions	Sub-Total (B)(1)	—
(2)	Non-Institutions		
(a)	Bodies Corporate	398879	9.39%
(b)	Individuals:-		
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	656479	15.45%
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	84900	2.00%
(c)	Any Other (specify) - NRIs	438	0.01%
	Sub-Total (B)(2)	1140696	26.85%
	Total Public Shareholding	[(B)=(B)(1)+(B)(2)]	1140696
			26.85%
	TOTAL (A) + (B)	4248740	100.00%
(C)	SHARES HELD BY CUSTODIAN AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED	—	—
	GRAND TOTAL (A) + (B) + (C)	4248740	100.00%

x) Dematerialisation of shares and liquidity

The ISIN of the Company's shares is INE838B01013. After dematerialisation of shares the shareholders must contact their DPs for any information/instructions in respect of their shareholdings.

As on 31.03.2008, the status of dematerialisation of equity shares of the Company was as under:

S.No.	Particulars	Shareholders		Shareholding	
		(In Nos.)	(In %)	(In Nos.)	(In %)
1.	N.S.D.L.	1,403	32.40%	34,61,265	81.46%
2.	C.D.S.L.	425	9.82%	4,34,114	10.22%
3.	Physical	2,502	57.78%	3,53,361	8.32%
	Total	4,330	100.00%	42,48,740	100.00%



xi) Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity

The Company has not issued any GDR or ADR Warrants or any convertible instruments.

xii) Plant Location

2 KM Stone, Madina-Mokhra Road, Village Mokhra, Tehsil Meham, Distt. Rohtak (Haryana).

xiii) Address for Correspondence

1501, Vikram Tower, Rajendra Place, New Delhi-110008.

ON BEHALF OF THE BOARD

(S.N.GUPTA)

CHAIRMAN & MANAGING DIRECTOR

NEW DELHI

AUGUST 30, 2008.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

BHARAT RASAYAN LIMITED

We have examined the compliance of conditions of corporate governance by BHARAT RASAYAN LIMITED for the year ended on 31st March 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination has been in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management, there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the company at large.

The Share Transfer Agent of the company has certified the number of complaints received from the investors and the number of complaints resolved during the financial year and that there are no complaints pending as at the year end as stated in the Company's report on Corporate Governance.

We certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **B.K.GOEL & ASSOCIATES**
CHARTERED ACCOUNTANTS

NEW DELHI,
AUGUST 30, 2008.

(B.K.GOEL)
Proprietor
Membership No.82081



AUDITORS' REPORT

TO THE MEMBERS OF BHARAT RASAYAN LIMITED

Friends,

We have audited the attached Balance Sheet of Bharat Rasayan Limited as at 31st March, 2008, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

1. As required by the Companies (Auditors' Report) Order 2003, as amended by the Companies (Auditor's Report) order (Amendment) 2004 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such examination of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account & Cash Flow Statement referred to in this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit & Loss Account and Cash Flow Statement read together with significant accounting policies & notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:-
 - 1) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - 2) in so far as it relates to the Profit and Loss account, of the Profit for the year ended on 31st March, 2008.
 - 3) in so far as it relates to the cash Flow Statement, of the cash flows for the year ended on that date:
3. On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B.K.GOEL & ASSOCIATES**
CHARTERED ACCOUNTANTS

NEW DELHI,
AUGUST 30, 2008.

(**B.K.GOEL**)
Proprietor
Membership No.82081



ANNEXURE TO THE AUDITORS' REPORT

- i. (a) According to the information and explanations given to us and as certified by the management, the Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) According to the information and explanations given to us, the management has conducted physical verification of major fixed assets during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were said to have noticed on such verification.
- (c) According to the information and explanations given to us the company has not disposed off substantial part of fixed assets.
- ii. (a) Physical verification of inventories has been conducted at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventories, and based on the information and explanations given to us, discrepancies noticed on physical verification were not material in relation to the operations of the company and the same have been properly dealt with in the books of accounts.
- iii. (a) According to the information and explanations given to us the company has granted loans by way of Inter Corporate Deposits to Companies covered in the register maintained under Section 301 of the Companies Act, 1956. Maximum amount to these parties during the year was Rs. 354.65 Lacs. However outstanding at the year end is Rs. 354.65 Lacs only receivable from one such party which is as per terms of the deposit.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
- (c) The parties are repaying the principal amounts as stipulated and have also been regular in the payment of interest to the company.
- (d) There is no overdue amount in excess of Rs.1.00 Lac in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken loans by way of Inter Corporate Deposits, public deposits and loans from directors/ companies/firms/ their relatives/parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved from 6 such parties during the year was Rs.108.00 Lacs and the year end balance of loans/ Deposits/ICD's taken from such parties was NIL.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (g) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding



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- the value of rupee five lacs in respect of any such party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of the said deposits.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the company in respect of its products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed U/S 209 (1) (d) of the Companies Act and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales tax, Wealth Tax, Service tax, Custom Duty, Excise Duty and cess were in arrears, as at 31.03.2008, for a period of more than six months from the date they became payable.
- x. The company is a profit making company and having nil accumulated losses upto 31.03.2008. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any Financial Institution, Bank or Debentureholders.
- xii. We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of special Statute applicable to chit fund/ Nidhi/ Mutual benefit fund/ Societies are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from Banks or other Financial Institutions.
- xvi. The Company has neither taken any term loans during the year nor outstanding such term loan carried over from earlier years.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long terms investments.
- xviii. The company has not made any preferential allotment of shares during the year.
- xix. The company has not issued any debentures during its lifetime.
- xx. The company has not raised any money by way of any public issue during the year.
- xxi. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For B.K.GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS**

**NEW DELHI,
AUGUST 30, 2008.**

(B.K.GOEL)
Proprietor
Membership No.82081



BALANCE SHEET AS AT 31st MARCH, 2008

Particulars	Schedule No.	As at 31.03.2008 (Rupees)		As at 31.03.2007 (Rupees)	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	42,487,400		42,487,400	
Reserves & Surplus	2	292,179,335	334,666,735	252,177,233	294,664,633
Loan Funds					
Secured Loans	3	78,340,023		43,698,149	
Unsecured Loans	4	150,000	78,490,023	10,950,000	54,648,149
Deferred Tax Liability (See Note No. 20)	21		7,226,403		7,895,517
			<u>420,383,161</u>		<u>357,208,299</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	186,889,552		176,739,396	
Less : Depreciation		<u>128,194,802</u>		<u>119,541,979</u>	
NET BLOCK			58,694,750		57,197,417
Investment (At Cost)	6		13,159,000		23,179,417
Current Assets, Loans & Advances					
Inventories	7	117,388,361		61,266,151	
Machinery Spare Parts & Others (WIP) -		5,177,240		5,649,382	
Sundry Debtors	8	165,721,457		166,444,755	
Cash & Bank Balances	9	21,664,340		7,618,378	
Other Current Assets	10	6,927,196		2,767,892	
Loans & Advances	11	100,948,767		58,582,393	
TOTAL - [A]		<u>417,827,361</u>		<u>302,328,951</u>	
Current Liabilities & Provisions					
Liabilities	12	62,349,070		24,892,544	
Provisions	13	6,948,880		604,942	
TOTAL - [B]		<u>69,297,950</u>		<u>25,497,486</u>	
NET CURRENT ASSETS [A - B]			<u>348,529,411</u>		<u>276,831,465</u>
			<u>420,383,161</u>		<u>357,208,299</u>
Significant accounting policies and notes to accounts	21				

Annexure to our report of even date
for **B.K. GOEL & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

B. K. GOEL
Proprietor
Membership No. 82081

LAKSHMI GURUNG
Company
Secretary

S. N. GUPTA Chairman & Managing Director
M. P. GUPTA
R. P. GUPTA
Directors

NEW DELHI
AUGUST 30, 2008.



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	Schedule No.	Year ended 31.03.2008 (Rupees)	Year ended 31.03.2007 (Rupees)
INCOME			
Income from operation	20	690,151,111	590,552,558
Other Income	19	<u>10,094,639</u>	<u>11,509,637</u>
		700,245,750	602,062,195
EXPENDITURE			
Cost of goods consumed/sold	14	515,086,687	475,720,557
Manufacturing Expenses	15	52,456,276	43,902,959
Personnel Expenses	16	33,253,191	28,874,184
Administrative & Selling Expenses	17	35,005,794	26,394,745
Interest	18	4,579,270	5,203,106
Depreciation	5	<u>8,925,848</u>	<u>9,588,127</u>
Profit before tax		50,938,684	12,378,517
Provision for Taxation - Current Liability		13,972,682	4,354,894
- Deferred Tax Liability		—	1,029,828
Provision for Dividend		<u>4,248,740</u>	<u>—</u>
		18,221,422	5,384,722
		32,717,262	6,993,795
Add: Excess provision for tax Reversed		6,615,726	1,763,693
Deferred Tax Assets		<u>669,114</u>	<u>—</u>
		7,284,840	1,763,693
Profit after tax		40,002,102	8,757,488
Add: Balance brought forward from previous year		<u>2,177,233</u>	<u>3,419,745</u>
Balance available for appropriation		<u>42,179,335</u>	<u>12,177,233</u>
Appropriations			
Transferred to General Reserve		40,000,000	10,000,000
Balance being surplus carried to Balance Sheet		<u>2,179,335</u>	<u>2,177,233</u>
		42,179,335	12,177,233
Significant accounting policies and notes to accounts	21		

Annexure to our report of even date
for **B.K. GOEL & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

B. K. GOEL
Proprietor
Membership No. 82081

LAKSHMI GURUNG
Company
Secretary

S. N. GUPTA Chairman & Managing Director
M. P. GUPTA
R. P. GUPTA
Directors

NEW DELHI
AUGUST 30, 2008.

**Bharat RASAYAN LIMITED**

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	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
10,000,000 Equity Shares of Rs. 10/- each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed & Paid-Up		
4,248,740 Equity Shares of Rs. 10/- each	<u>42,487,400</u>	<u>42,487,400</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
General Reserve		
- at the commencement of the year	250,000,000	240,000,000
- transferred from the Profit & Loss Account	<u>40,000,000</u>	<u>10,000,000</u>
	290,000,000	250,000,000
Surplus being balance in Profit & Loss Account	<u>2,179,335</u>	<u>2,177,233</u>
	<u>292,179,335</u>	<u>252,177,233</u>
SCHEDULE - 3		
SECURED LOANS		
Working Capital Borrowings		
State Bank of India*	<u>78,340,023</u>	<u>43,698,149</u>
<p>*The borrowings are secured by way of :</p> <ol style="list-style-type: none">1) hypothecation of raw materials, finished goods, semi-finished goods, stores, spares and book debts, both present and future, of the company.2) equitable mortgage of the land & factory building, plant & machinery and other assets of the company at Village Mokhra, Distt. Rohtak, Haryana.		
SCHEDULE - 4		
UNSECURED LOANS		
- from Public-Fixed Deposits	—	10,800,000
- Security Deposits from Customers	<u>150,000</u>	<u>150,000</u>
	<u>150,000</u>	<u>10,950,000</u>



**SCHEDULE - 5
FIXED ASSETS**

(Rupees)

Particulars	Gross Block (At Cost)				Depreciation				Net Block		
	As at 31.03.07	Additions during the year	Sales during the year	Adjust- ment	As at 31.03.08	Up to 31.03.07	For the Year	Adjust- ment	Upto 31.03.08	As at 31.03.08	As at 31.03.07
1. Land	608,803	1179168	—	—	1,787,971	—	—	—	—	1,787,971	608,803
2. Building	13,324,252	—	—	—	13,324,252	7,093,595	473554	—	7,567,149	5,757,103	6,230,657
3. Plant & Machinery	154,356,919	7505446	—	—	161,862,365	106,599,481	7662738	—	114,262,219	47,600,146	47,757,438
4. Furniture & Fixture	2,108,994	23582	—	—	2,132,576	1,343,738	142369	—	1,486,107	646,469	765,256
5. Office Equipments	4,627,478	1193342	—	—	5,820,820	3,374,200	445499	—	3,819,699	2,001,121	1,253,278
6. Vehicles	1,429,192	249689	95000	272850	1,311,031	1,123,715	124044	273025	974,734	336,297	305,477
7. R&D Equipments	283,758	366779	—	—	650,537	7,250	77644	—	84,894	565,643	276,508
Total	176,739,396	10,518,006	95,000	272,850	186,889,552	119,541,979	8,925,848	273,025	128,194,802	58,694,750	57,197,417
Correspond- ing figures for the prev. year	172,386,783	5,117,209	504,800	(259,796)	176,739,396	110,382,417	9,588,127	428,565	119,541,979	57,197,417	62,004,366

**As at
31.03.2008
(Rupees)**

**As at
31.03.2007
(Rupees)**

SCHEDULE - 6

INVESTMENTS (AT COST)

Unquoted - other than Trade Investment

(i) 1315900 Equity Shares of Rs.10/- each (Fully Paid Up) in Siris Crop Sciences Ltd. [Previous year 1315900 Equity Shares]	13,159,000	13,159,000
(ii) Units of Reliance liquid plus fund [Previous Year 10015.984 Units (NAV Rs: 1000.443 per Unit)]	—	10,020,417
Total	13,159,000	23,179,417

SCHEDULE - 7

INVENTORIES

(As taken, valued & certified by the management)

A) Raw Materials & Other Consumable Goods

i) Raw Materials, Consumable & Utilities	49,531,832	21,090,980
ii) Packing Materials	623,174	609,440
iii) Fuels	1,514,638	1,460,732
B) Stock-in-process	41,331,597	22,770,352
C) Finished Goods	24,387,120	15,334,647
	117,388,361	61,266,151



Bharat RASAYAN LIMITED

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	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
- Outstanding for more than 6 months	15,361,676	1,366,520
- Others	150,359,781	165,078,235
	<u>165,721,457</u>	<u>166,444,755</u>
SCHEDULE - 9		
CASH & BANK BALANCES		
a. Cash in hand	422,758	398,222
b. Balances with Scheduled Banks & Other Banks		
i) in Current Accounts	21,014,443	6,809,987
ii) in Unpaid Dividend Accounts	227,139	410,169
	<u>21,241,582</u>	<u>7,220,156</u>
	<u>21,664,340</u>	<u>7,618,378</u>
SCHEDULE - 10		
OTHER CURRENT ASSETS		
Fixed Deposits with State Bank of India (Margin Money for LC / BG)	6,927,196	2,767,892
SCHEDULE - 11		
LOANS & ADVANCES		
(Unsecured - Considered Good)		
a) Loans		
Inter Corporate Deposits	45,464,524	24,638,566
b) Advances recoverable in cash or in kind or for value to be received		
i) Central Excise Duty & Service Tax	21,044,227	11,888,531
ii) Export Incentives Receivables	18,593,489	13,288,690
iii) Commissioner of Central Excise and Custom	5,053,079	1,068,189
iv) Suppliers, Staff and Others	8,882,844	6,451,740
	<u>53,573,639</u>	<u>32,697,150</u>
c) Security Deposits		
i) For Electricity and Power	1,707,707	1,056,077
ii) For Telephones & Telex	29,800	29,800
iii) with Suppliers and Others	173,097	160,800
	<u>1,910,604</u>	<u>1,246,677</u>
	<u>100,948,767</u>	<u>58,582,393</u>
SCHEDULE - 12		
CURRENT LIABILITIES		
Sundry Creditors	48,043,535	17,661,183
Expenses Payable	11,518,266	6,749,837
Advance from Customers	2,560,230	71,355
Unclaimed Dividend	227,039	410,169
	<u>62,349,070</u>	<u>24,892,544</u>
SCHEDULE - 13		
PROVISIONS		
- for income tax (Net of taxes paid)	2,700,140	604,942
- for Dividend	4,248,740	604,942
	<u>6,948,880</u>	<u>604,942</u>
	<u>6,948,880</u>	<u>604,942</u>



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	Year ended 31.03.2008 (Rupees)		Year ended 31.03.2007 (Rupees)	
SCHEDULE - 14				
COST OF GOODS CONSUMED / SOLD				
Opening Stock				
- Finished Goods	15,334,647		27,434,326	
- Stock-in-process	22,770,352		21,522,147	
- Raw Materials, Consumables & Others	<u>23,161,152</u>	<u>61,266,151</u>	<u>28,668,631</u>	77,625,104
Add : Purchases				
- Raw Materials, Consumables & Others		<u>571,208,897</u>		<u>459,361,604</u>
		<u>632,475,048</u>		<u>536,986,708</u>
Less : Closing Stock				
- Finished Goods	25,211,044		15,334,647	
- Stock-in-process	40,507,673		22,770,352	
- Raw Materials, Consumables & Others	<u>51,669,644</u>	<u>117,388,361</u>	<u>23,161,152</u>	<u>61,266,151</u>
(As taken, valued & certified by the management)		<u>515,086,687</u>		<u>475,720,557</u>

SCHEDULE - 15

MANUFACTURING EXPENSES

Freight & Cartage Inward	11,170,210	7,917,516
Power & Electricity	15,600,001	11,768,909
Testing Expenses	56,608	26,997
Machinery Repairs & Maintenance	14,084,874	11,536,888
Factory Maintenance	3,685,170	2,314,603
Laboratory Expenses	761,434	1,236,702
Job Work Expenses	4,291,083	4,239,660
R & D Expenses	2,601,898	4,584,484
ETP Expenses	204,998	277,200
	<u>52,456,276</u>	<u>43,902,959</u>

SCHEDULE - 16

PERSONNEL EXPENSES

Salaries, Wages, Bonus and Staff Accomodation	28,171,236	23,697,968
Staff and Labour Welfare Expenses	806,406	911,253
Employer's contribution to Provident Fund & ESI	1,478,000	1,302,776
Diwali Expenses	220,619	316,400
Staff Bus Expenses	1,488,618	1,537,693
Premium for Employees' Gratuity Policy	664,864	696,638
Workers Safety Expenses	423,448	411,456
	<u>33,253,191</u>	<u>28,874,184</u>



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	Year ended 31.03.2008 (Rupees)	Year ended 31.03.2007 (Rupees)
SCHEDULE - 17		
ADMINISTRATIVE & SELLING EXPENSES		
Advertisement Expenses	1,310,934	504,471
AGM Expenses	9,352	10,766
Audit Fee		
- as Auditors	110,000	100,000
- as Advisors - Management services	<u>112,000</u>	<u>60,000</u>
Bad Debts	1,233,819	448,635
Bank Charges	2,340,280	961,504
Books, Periodicals and Subscriptions	474,637	494,371
Building Repairs & Maintenance	1,106,365	924,710
Business Promotion Expenses	116,352	67,226
Car Repairs & Maintenance	285,752	337,473
Commission Paid	4,598,818	2,095,076
Computer Expenses	291,028	290,830
Conveyance Expenses	944,634	952,403
Directors' Remuneration	5,659,854	3,477,550
Donations	22,000	12,153
Electricity Charges	233,502	253,160
Filing Fee	3,600	8,448
Freight & Cartage Outward	6,875,178	8,072,829
Hire Charges	570,000	67,773
Insurance Charges	2,302,580	2,518,411
Legal & Professional Expenses	2,461,187	1,510,309
Listing Fee	8,400	8,400
Miscellaneous and General Expenses	186,346	305,511
Office Expenses	252,892	261,937
Postage, Telegram & Telephone Expenses	917,352	833,130
Printing & Stationery	340,953	361,271
Rates & Taxes	311,546	233,906
Rebates	28,851	—
Rent Paid	46,900	61,770
Sales Tax Paid	8,039	—
Security Services	640,267	540,198
Service Tax Paid	160,021	56,190
Tour & Travelling Expenses	831,286	564,334
Exchange Difference	116,446	—
Loss in Transit	94,623	—
	<u>35,005,794</u>	<u>26,394,745</u>
SCHEDULE - 18		
INTEREST PAID		
- on Fixed Deposits	49,786	1,754,109
- to the Managing Director	—	36,164
- to Others	5,997,295	3,822,574
	<u>6,047,081</u>	<u>5,612,847</u>
Less : Interest received		
- from Bank on FDR	126,066	79,546
- from Trade Debtors & Others	1,341,745	330,195
Net Paid	<u>4,579,270</u>	<u>409,741</u>



Bharat RASAYAN LIMITED

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Year ended 31.03.2008 (Rupees)	Year ended 31.03.2007 (Rupees)
--------------------------------------	--------------------------------------

SCHEDULE - 19 OTHER INCOME

Rental Charges of Cylinders	164,500	219,000
Interest Received on Investments	5,716,233	4,046,630
Income from Dividend / Mutual Fund	30,874	20,417
Profit on Sale of Fixed Assets	175	168,768
Short & Excess	—	135,963
Commission	2,576,489	6,835,674
Bad debts Recovered	1,600,000	83,185
Short Term Capital Gain	6,368	—
	10,094,639	11,509,637

SCHEDULE - 20 INCOME FROM OPERATION

Sales	670,913,094	577,459,479
Export Incentives	19,238,017	13,093,079
	690,151,111	590,552,558

SCHEDULE - 21 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

- Corresponding figures of the previous year have been regrouped and/or re-arranged wherever necessary.
- Cost of goods consumed/sold includes cost of raw materials, consumable stores, fuels/oils, packing materials & utilities.
- Details of managerial remuneration are as under:

	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
i) Salaries	5,641,134	3,302,400
ii) Monetary value of perquisites	18,720	175,150
	5,659,854	3,477,550

4. Computation of net profit in accordance with section 198 of the Companies Act, 1956

Profit before income tax	50,938,684	12,378,517
Add : Directors' remuneration	5,659,854	3,477,550
Eligible Profit	56,598,538	15,856,067

Maximum remuneration allowable as per section 309(3) of the Companies Act, 1956 read with Schedule-XIII

5,659,854	3,477,550
------------------	------------------

- Inventory have been valued at lower of cost or net realisable value. Raw Materials are valued on the basis of FIFO. In the case of finished goods cost comprises material, labour and factory overheads. Goods in process have been valued at raw material cost incurred upto the stage of production + conversion cost apportioned. Other Inventories are valued at cost. All the stocks have been certified by the management.



Bharat RASAYAN LIMITED

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6. Sales have been accounted for exclusive of sales tax and excise duty wherever applicable and are net of returns and discounts. Exports benefits under DEPB scheme have been accounted for separately. The Export benefits are accrued on the date of export. Sales do not include captive consumption.

7. Contingent Liabilities not provided for in respect of :

	<u>As at 31.03.2008</u> <u>Rs. in Lacs</u>	<u>As at 31.03.2007</u> <u>Rs. in Lacs</u>
i) Counter guarantees given to the banks in respect of guarantees given by them	3.50	8.33
ii) Guarantees given to Sales Tax Authorities under Local and Central Sales Tax Act for business associates	5.90	7.60

8. Depreciation has been provided for on written down value method as per Schedule XIV to the Companies Act, 1956.

9. The Company follows the Accrual System of Accounting and on assumptions of an ongoing concern.

10. As per practice consistently followed, the consumption of raw materials is net of Cenvat Credit availed.

11. The applicable Accounting standards have been followed in preparation of final Accounts.

12. The Management have selected such accounting policies and applied them consistently and made judgements and estimates that are prudent and reasonable so as to give a true and fair view of the state of affairs of the Company as at 31.03.2008 and of the profit of the Company for the year ended on that date.

13. Retirement Benefits

Contributions are made to Approved Employees' Provident Fund. In respect of Gratuity, the Company has opted for Group Gratuity Life Insurance Scheme of the **Life Insurance Corporation of India and Reliance Life Insurance Company Limited**. The Company has not provided for any accrued liability towards Leave with Wages. Expenses have been claimed under this head on payment basis only.

14. Balances of Sundry Debtors, Advances to Suppliers and Creditors and Advances from Customers are subject to confirmation.

15. Export/import Invoices in foreign currencies are recorded at the rate of exchange in force at the time of transactions. Provisions as per Accounting Standard AS-11 issued by the Institute of Chartered Accountants of India for overseas debtors/creditors for exchange rate difference at the end of the year are made. Final Exchange Rate difference is accounted for at the time of realisation of book debts/payment to creditors.

16. The Company is manufacturing Technical Grade Pesticides & Formulations that too in a single Manufacturing Unit constitutes a single segment, based on the guiding principles given in Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India. Hence details of segments are not required.

17. The Company got recognised as an approved Research & Development Unit from Ministry of Science & Technology, Govt. of India, Department of Scientific & Industrial Research, New Delhi, hence eligible for weighted deduction U/S 35 (2AB) of the Income Tax Act on expenditure incurred for the purpose. Total expenditure of Rs.29,68,677/- (Revenue Expense of Rs.26,01,898/- and Capital Expenditure of Rs.3,66,779/-) are eligible for weighted deduction under section 35(2AB) of the Income Tax Act, 1961.



18. Related Party Transactions :

As per Accounting Standard AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below :

a) Key Management Personnel & Other Relatives

- | | |
|----------------------|------------------------------|
| i) Mr. S. N.Gupta | Chairman & Managing Director |
| ii) Mr. M. P. Gupta | Director |
| iii) Mr. R. P. Gupta | Director |
- and their Relatives

b) Associated Companies

- | | | |
|--------------------------------|-------------------------|----------------------------------|
| i) Bharat Insecticides Limited | ii) BR Agrotech Limited | iii) Siris Crop Sciences Limited |
|--------------------------------|-------------------------|----------------------------------|

c) Transactions with Related Parties

Name of Related Party	Nature of Transactions/ Amount Credited/Paid*
Shri S.N.Gupta	Managerial Remuneration Rs. 28.20 Lacs
Shri M.P.Gupta	Managerial Remuneration Rs. 14.20 Lacs
Shri R.P.Gupta	Managerial Remuneration Rs. 14.20 Lacs
Bharat Insecticides Limited	Material purchased & Rent paid for Rs. 134.81 Lacs and sales for Rs. 418.01 Lacs
BR Agrotech Limited	Sales of Rs. 143.29 Lacs
SIRIS Crop Sciences Limited	Purchase of materials Rs. 502.41 Lacs Sale for Rs. 7.93 Lacs Interest received Rs. 30.57 Lacs on ICD Commission received Rs. 25.76 Lacs (Net of Service Tax)
Relatives of Key Managerial Personnel	Interest paid Rs. 0.50 Lacs on Public Deposit of Rs. 108.00 Lacs

*Reimbursements not taken into account and figures are inclusive of Excise duty & Sales Tax.

19. As per Accounting Standard AS-20 on earning per share, issued by the Institute of Chartered Accountants of India, the earning per share of the Company is Rs. 9.41 (Last Year Rs. 2.06).
20. As per Accounting Standard AS-22 on Accounting for Taxes on income, the Company has recorded the cumulative net deferred tax liability upto 31.03.2008 of Rs. 72,26,403/-. For the current year the Company has recorded the net deferred tax assets of Rs. 6,69,114/-, carrying forward cumulative deferred tax liability of Rs. 72,26,403/-.

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
<u>Computation of Deferred Tax Liability/Assets</u>		
Difference in Tax and Book Depreciation	21,342,385	23,317,315
Less: Short Term Capital Loss eligible for Set off in next years	82,005	88,373
	<u>21,260,380</u>	<u>23,228,942</u>
Tax on above Difference	7,226,403	7,895,517
Deferred Tax Liability	7,895,517	7,895,517
Deferred Tax Assets for the Year	<u>669,114</u>	<u>1,029,828</u>



21. Additional information pursuant to Part-II of Schedule VI to the Companies Act, 1956.

I. CAPACITY & PRODUCTION

(Rounded off in metric tonnes)

	Installed Capacity		Production*	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Technical Grade Pesticides	1000	1000	660	643
Pesticides Formulations	600	600	211	278
Intermediates	400	400	781	736
	2000	2000	1652	1657

Notes :

1. Installed capacities are interchangeable between different products.
2. *Net of captive consumption and as certified by the management and relied on by the auditors being a technical matter.

II. QUANTITATIVE DETAILS IN RESPECT OF STOCKS, SALES AND CONSUMPTION OF RAW MATERIALS

	2007-08		2006-07	
	Qty. (Kgs.)	Value (Rs. in Lacs)	Qty. (Kgs.)	Value (Rs. in Lacs)
A) OPENING STOCK				
I) Finished Goods				
Technical Grade Pesticides	39660	133.10	43995	248.98
Pesticides Formulations	-	-	10739	11.13
Intermediates	6075	20.23	6710	14.23
Others	12884	0.02	-	-
		153.35		274.34
II) Stock-In-Process				
Technical Grade Pesticides	9383	33.11	53137	107.26
Intermediates	56283	128.41	61257	106.98
Others	175897	66.18	-	0.98
		227.70		215.22
B) CLOSING STOCK				
I) Finished Goods				
Technical Grade Pesticides	23620	172.12	39660	133.10
Intermediates	29395	71.45	6075	20.23
Others	44880	0.30	12884	0.02
		243.87		153.35
II) Stock-In-Process				
Technical Grade Pesticides	16618	127.05	9383	33.11
Intermediates	75308	187.78	56283	128.41
Others	217961	98.49	175897	66.18
		413.32		227.70



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

CIN/Registration No.	L24119DL1989PLC036264
Balance Sheet Date	31.03.2008

State Code	55
------------	----

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	NIL
Bonus Issue	NIL
Total Liabilities	489681

Right Issue	NIL
Private Issue	NIL
Total Assets	489681

Sources of Funds

Paid-up Capital	42487
Secured Loans	78340
Deferred Tax Liability	7226

Reserves & Surplus	292179
Unsecured Loans	150

Application of Funds

Net Fixed Assets	58694
Net Current Assets	348529

Investments	13159
Misc. Expenditure	—

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Sales & Other Income)	700246
Profit before tax	50939
Earning per share (in Rs.)	9.41

Total Expenditure	649307
Profit after tax	40002
Dividend rate (in %)	10%

V. Generic Names of three Principal Products of the Company

Item Code No.	291221.00
Product Description.	METAPHENOXY BENZALDEHYDE
Item Code No.	380810.29
Product Description	FENVALERATE TECHNICAL & FORMULATIONS
Item Code No.	380810.24
Product Description	CYPERMETHRIN TECHNICAL & FORMULATIONS



CASH FLOW STATEMENT PURSUANT TO LISTING AGREEMENTS

	Year ended 31.03.2008 (Rs.in lacs)	Year ended 31.03.2007 (Rs.in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before income tax & extraordinary items	509.39	123.79
Adjustments for:		
Depreciation	89.26	95.88
Profit/(Loss) on sale of fixed assets	—	(1.69)
Interest received	(14.68)	(4.10)
Interest paid	60.47	56.13
Operating profit before working capital changes	644.44	270.01
Adjustments for:		
Increase/Decrease in Sundry Debtors	7.23	(350.72)
Increase/Decrease in Inventories	(561.22)	163.59
Increase/Decrease in Machinery Spare Parts	4.72	(18.42)
Increase/Decrease in Loans and Advances	(423.66)	507.28
Increase/Decrease in Current Liabilities	374.56	(171.94)
Cash generated from operations	46.07	399.80
Interest received	14.68	4.10
Interest paid	(60.47)	(56.13)
Direct taxes paid	(52.62)	(21.50)
Net cash from operating activities	(204.09)	326.27
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investment in Shares & Units	100.20	(100.20)
Additions to fixed assets	(105.18)	(51.17)
Proceeds from sale of fixed assets	0.95	5.04
Net Cash used in Investing Activities	(4.03)	(146.33)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from new borrowings	346.42	25.27
Repayment of borrowings	(108.00)	(146.50)
Net cash used in financing activities	238.42	(121.23)
Net increase in cash & cash equivalents (A+B+C)	182.05	58.71
Cash and cash equivalents as at 01.04.2007	103.86	45.15
Cash and cash equivalents as at 31.03.2008	285.91	103.86

Annexure to our report of even date

FOR & ON BEHALF OF THE BOARD

for **B.K. GOEL & ASSOCIATES**
CHARTERED ACCOUNTANTS

B. K. GOEL
Proprietor
Membership No. 82081

LAKSHMI GURUNG
Company
Secretary

S. N. GUPTA Chairman & Managing Director
M. P. GUPTA
R. P. GUPTA
Directors

NEW DELHI
AUGUST 30, 2008.

Bharat RASAYAN LIMITED

1501, Vikram Tower, Rajendra Place, New Delhi-110008.

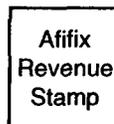
PROXY FORM

I/We.....of.....in the district of.....being a member(s) of the above named company, hereby appoint Mr./Miss/Mrs.....of.....in the district of..... or failing him/her, Mr./Miss/Mrs.....of.....in the district of..... as my/our proxy to vote, for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Monday, the 29th September, 2008, or at any adjournment thereof.

No. of shares held..... Registered Folio No.....

D.P.ID No.#..... Client ID No.#.....

Signed this.....day of2008.



Signature(s)

Note: The proxy form must be deposited at the Registered Office of the company at 1501, Vikram Tower, Rajendra Place, New Delhi-110008, not less than 48 hours before the time for holding the meeting. Proxy need not be a member.

For members holding shares in dematerialised mode.

----- TEAR HERE -----

Bharat RASAYAN LIMITED

1501, Vikram Tower, Rajendra Place, New Delhi-110008.

ATTENDANCE SLIP

Name of the shareholders :
(IN BLOCK LETTERS)

Registered Folio No. :

D.P.ID No.#..... Client ID No.#.....

I hereby record my presence at the 19th Annual General Meeting on Monday, the 29th September, 2008, at 10:30 A.M. at Satyam Banquets, 6, Bhera Enclave, Paschim Vihar, Outer Ring Road, New Delhi-110087. I certify that I am a registered shareholder/proxy* for the registered shareholder of the company.

.....
(Name of the Proxy)

.....
(Signature of the member/proxy* to be signed at the attendance counter)

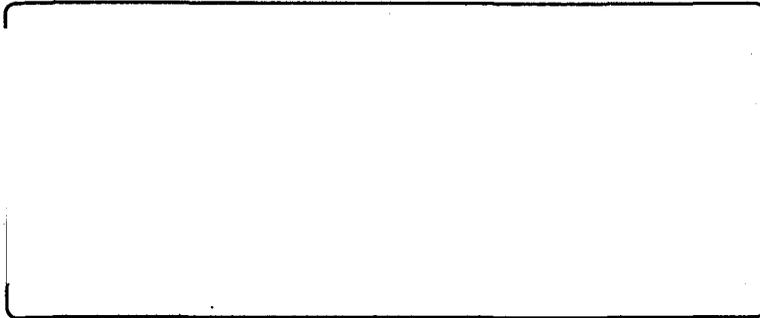
*Delete whichever is not applicable

#For members holding shares in dematerialised mode.

Notes:

1. For their own convenience, the members are requested to deliver their attendance slips at the attendance counter in a queue.
2. Incomplete attendance slips will not be accepted at the attendance counter. For any problem or information, please contact the enquiry counter, before proceeding to attendance counter.
3. Please bring your copy of annual report at the Annual General Meeting.
4. **No gifts/coupons shall be distributed at the meeting.**

BOOK - POST



If Undelivered, please return to :

Bharat RASAYAN LIMITED

1501, Vikram Tower,

Rajendra Place,

New Delhi - 110 008.