

**18th  
Annual Report  
2006-2007**



**Bharat RASAYAN LIMITED**

**(AN ISO 9001: 2000 CERTIFIED COMPANY)**



**Bharat RASAYAN LIMITED**  
*18th Annual Report 2006-2007*

**BOARD OF DIRECTORS**

**Promoter Directors**

**S.N. GUPTA**

Chairman & Managing Director

**M.P. GUPTA**

Whole Time Director

**R.P. GUPTA**

Whole Time Director

**Other Directors**

**SANDESH KUMAR JAIN**

Director (Independent & Non-Executive)

**PRADEEP KUMAR GUPTA**

Director (Independent & Non-Executive)

**NARESH AGARWAL**

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**

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The 18<sup>th</sup> 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 Friday, the 28<sup>th</sup> September, 2007, at 10:30 A.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive and adopt the audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2007 and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. S.N.Gupta who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. R.P.Gupta who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

**Regd. Office :-**

1501, Vikram Tower,  
Rajendra Place,  
NEW DELHI-110008.

**AUGUST 27, 2007.**

BY ORDER OF THE BOARD

**(LAKSHMI GURUNG)**

**COMPANY SECRETARY**

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself, and such proxy(ies) need not be a member of the Company. Proxy(ies) in order to be effective, must be delivered at the registered office of the Company, not less than 48 hours before the time of the meeting.
2. Members/Proxies should bring the attendance slip duly completed. Members who hold shares in dematerialised mode are requested to bring their Client-ID and DP-ID Numbers also for easy reference.
3. The copies of the annual report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the annual report to the meeting.
4. Members intending to seek any information on the annual accounts at the meeting are requested to intimate the Company at least seven days before the date of the meeting.
5. Nominations - Members holding shares in physical mode and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to obtain the prescribed Form-2B, from the Company Secretary. Members holding shares in dematerialised mode may approach their Depository Participant (DP) in this regard.
6. 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 24.09.2007 to 28.09.2007 (both days inclusive) for the purpose of Annual General Meeting.
8. 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.
9. Information required to be furnished under the Listing Agreement in respect of following director proposed to be reappointed / appointed as Director(s):



Particulars	Details of the Directors	
Name	<b>Shri S.N. Gupta</b>	<b>Shri R.P. Gupta</b>
Age	59 Years	41 Years
Qualification	M.A. [Economics]	B.Com.
Experience	31 Years	21 years
Directorship	since 15.05.1989	since 15.05.1989
Work exposure	Specialization in the field of inter-national business, overall marketing strategy and corporate planning	looking after the Factory Production and General Administration
Directorship in other companies	M/s. Bharat Insecticides Ltd. M/s. Siris Crop Sciences Ltd.	M/s. Bharat Insecticides Ltd. M/s. Bharat Rasayan Finance Ltd. M/s. Siris Crop Sciences Ltd.
Member of any Committee in the Company	No	Shares Transfer Committee



## DIRECTORS' REPORT

### TO THE MEMBERS OF BHARAT RASAYAN LIMITED

Your Directors have pleasure in presenting their 18th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2007:

### FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	For the year ended 31.03.2007	For the year ended 31.03.2006
Sales & Other Income	<b>6020.62</b>	<b>4967.34</b>
Profit before interest & depreciation	<b>271.69</b>	390.28
Less : Interest	<b>52.03</b>	67.76
: Depreciation	<b>95.88</b>	<b>84.69</b>
Profit before income tax	<b>123.78</b>	237.83
Provision for Taxation – Current Liability	<b>43.55</b>	91.30
– Deferred Liability/(Tax Assets)	<b>10.30</b>	(8.35)
	<b>53.85</b>	82.95
Less: Excess for tax reverse	<b>17.64</b>	<b>36.21</b>
<b>Profit after tax</b>	<b>87.57</b>	<b>82.95</b>
Surplus brought forward from previous year	<b>34.20</b>	154.88
Profit available for appropriation	<b>121.77</b>	<b>79.32</b>
<b>Appropriations</b>		<b>234.20</b>
Transferred to General Reserve	<b>100.00</b>	200.00
Balance being surplus carried over to the Balance Sheet	<b>21.77</b>	34.20

### FINANCIAL HIGHLIGHTS

During the year under review, gross receipts were Rs. 60.20 Crores as compared to Rs. 49.67 Crores in the previous year, registering a growth of 21.20%. Exports during the year were Rs. 24.44 Crores as compared to Rs. 21.40 Crores in the previous year. Profit after tax has decreased to Rs. 0.88 Crore as compared to Rs. 1.54 Crores previous year mainly due to decline in other income from Rs. 2.03 Crores to Rs. 1.15 Crores.

### SHIFTING OF OFFICE OF OUR REGISTRAR & TRANSFER AGENT (RTA)

Your Directors are pleased to inform you that office of our RTA, i.e. M/s. Intime Spectrum Registry Limited have moved to A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028, with better facilities to serve you better.

### 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

With a view to conserve the company's resources your directors have not recommended any dividend for this financial year.

### FIXED DEPOSITS

As on 31.03.2007, there was no overdue deposit with the Company. All deposits due for payment were fully paid as on date and there is no deposits 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 commend for their re-appointment.

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

**STATUTORY STATEMENTS**

- a) **Conservation of energy, technology absorption and foreign exchange earnings/outgo**  
Statements pursuant to section 217(1)(e) of the Companies Act, 1956, are given in Annexure-II.
- b) **Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975:**  
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, 2007 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. S.N.Gupta and Mr. R.P.Gupta retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment.

**ACKNOWLEDGEMENTS**

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

ON BEHALF OF THE BOARD

NEW DELHI  
AUGUST 27, 2007

(M.P.GUPTA)  
CHAIRMAN



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## **ANNEXURE - I TO THE DIRECTORS' REPORT**

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### **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. 60.20 Crores as compared to Rs. 49.67 Crores in the previous year, registering a growth of 21.20%. Exports during the year were Rs. 24.44 Crores as compared to Rs. 21.40 Crores in the previous year. Profit after tax has decreased to Rs. 0.88 Crore as compared to Rs. 1.54 Crores previous year mainly due to decline in other income from Rs. 2.03 Crores to Rs. 1.15 Crores.

#### **Outlook**

Having regard to the thrust given by the Central Government to the agriculture sector and overall normal monsoon, the outlook for the current year 2007-08 appears to be good barring unforeseen circumstances. Further, during the year, the Company got some new registrations of the products and one new product has been manufactured by the Company.

#### **Risk, Concern and Threats**

The overall pesticides business is dependent on weather and sudden change in the weather affects the demand for the agrochemicals and this kind of risk will always remain in this industry. Due to the unusual increase in crude oil prices globally, the prices of raw materials have consequently gone up, this has adversely affected the input cost. However, the sale price has not improved in same proportion. 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 and at times when the monsoon is not favourable, the Industry suffers and has to incur high cost of interest.

Foreign Exchange Fluctuations – Significant part of the turnover comprises of export. Falling Dollar value in terms of Rupees was a matter of concern to Company. Company has started hedging measures for its foreign exchange fluctuation risk.

#### **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 competent and dedicated professional managers on its roll.



4. The company's In-house Research & Development Unit received recognition from 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 31.03.2007 was 172. 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 materially 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.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.





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**ANNEXURE-II TO THE DIRECTORS' REPORT**

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**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 cost reduction, improvement of product quality, import substitution & introduction of new products are carried out on an ongoing basis.
- (4) The R&D efforts are totally integrated with the processing activities including development of new products. As such, R&D expenses cannot be segregated. Further, the Company is engaged in the development of new products, process and effluent treatment.
- (5) Company's In-house R&D Unit set-up at Mokhra Factory has acquired recognition from Ministry of Science & Technology, Govt. of India, Department of Scientific & Industrial Research, New Delhi.
- (6) Expenditure on R&D
  - (a) Capital : Rs. 2.84 lacs
  - (b) Recurring : Rs. 45.84 lacs
  - (c) Total : Rs. 48.68 lacs
  - (d) Total R&D expenditure (as % of total expenditure) : 0.82%

**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. 398.74 lacs (previous year Rs. 412.45 lacs)
- (3) Total foreign exchange earned Rs. 2443.75 lacs (previous year Rs. 2139.57 lacs)

ON BEHALF OF THE BOARD

**NEW DELHI**  
**AUGUST 27, 2007**

**(M.P.GUPTA)**  
**CHAIRMAN**



## 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 presently six directors, of which three 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 31.03.2007, 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	3	None
4.	Mr. Sandesh Jain	Independent / Non-Executive Director	4	3
5.	Mr. Pradeep Gupta	Independent/Non-Executive Director	None	None
6.	Mr. Naresh Agarwal	Independent/Non-Executive Director	None	None

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

##### c) Meetings and Attendance

During the financial year 2006-07, Twenty (20) board meetings were held. The dates on which the said meetings were held are as follows:

15.04.2006	29.04.2006	10.05.2006	29.05.2006
01.06.2006	22.06.2006	24.07.2006	31.07.2006
22.08.2006	30.08.2006	12.09.2006	05.10.2006
31.10.2006	07.11.2006	13.11.2006	01.01.2007
31.01.2007	15.02.2007	19.03.2007	31.03.2007

The Annual General Meeting was held on 30.09.2006.

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 30.09.2006
1.	Mr. S.N.Gupta	Chairman & Managing Director	17	Yes
2.	Mr. M.P.Gupta	Executive Director	19	Yes
3.	Mr. R.P.Gupta	Executive Director	15	Yes
4.	Mr. Sandesh Jain*	Independent / Non-Executive Director	12	Yes
5.	Mr. Pradeep Gupta	Independent / Non-Executive Director	14	No
6.	Mr. Naresh Agarwal	Independent / Non-Executive Director	11	No
7.	Mr. Bimal Agarwal#	Independent / Non-Executive Director	04	N.A.

\*Appointed on 01.06.2006

#Resigned on 01.06.2006



### 3. AUDIT COMMITTEE

#### i) Composition and Category of Members

Presently the Audit Committee comprises of three members all of which are Independent/Non-Executive Directors. As on 31.03.2007, 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. Pradeep Gupta	Independent / Non-Executive Director
3.	Mr. Naresh Agarwal	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 2006-07, Five (5) meetings were held. The dates on which the said meetings were held are as follows:

29.04.2006	31.07.2006	30.08.2006	31.10.2006	31.01.2007
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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	4
2.	Mr. Pradeep Gupta	Independent / Non-Executive Director	5
3.	Mr. Naresh Agarwal	Independent / Non-Executive Director	5
4.	Mr. Bimal Agarwal#	Independent / Non-Executive Director	1

\*Appointed on 01.06.2006

#Resigned on 01.06.2006

#### 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 three members all of which are Independent/Non-Executive Directors. As on 31.03.2007, 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. Pradeep Gupta	Independent / Non-Executive Director
3.	Mr. Naresh Agarwal	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

During the financial year 2006-07, One (1) meeting was held. The said meeting was held on 31.07.2006.

The attendance of the members in the meeting was:

Sr.No.	Name of the Member	Category of Member	Numbers of Meetings Attended
1.	Mr. Sandesh Jain	Independent / Non-Executive Director	1
2.	Mr. Pradeep Gupta	Independent / Non-Executive Director	1
3.	Mr. Naresh Agarwal	Independent / Non-Executive Director	1


**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 2006-07:**

(Amount in Rupees)

Particulars	Mr. S.N.Gupta	Mr. M.P.Gupta	Mr. R.P.Gupta
Salaries	16,51,200	8,25,600	8,25,600
Employer contribution to P/F & Gratuity	81,210	46,970	46,970

The Company had been paying the premium to Life Insurance Corporation of India. However, during the year Company has paid the premium to Reliance Life Insurance Company Limited for securing the payment of gratuity to its employees for the current year. All the whole-time directors have been provided the company's car and the telephone on 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 31.03.2007, the composition of the Committee was as under:

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

The Company Secretary being Compliance Officer acts as a Secretary of the Shareholders and Investors' Grievance Committee. Mrs. Lakshmi Gurung is acting as Company Secretary-cum-Compliance Officer of the Committee.

**ii) Meetings and Attendance**

During the financial year 2006-07, Four (4) meetings were held. The dates on which the said meetings were held are as follows:

01.04.2006	01.07.2006	05.10.2006	01.01.2007
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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. Pradeep Gupta	Independent / Non-Executive Director	4
2.	Mr. Naresh Agarwal	Independent / Non-Executive Director	1
3.	Mr. M.P.Gupta	Executive Director	4

**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 2006-07, the Shareholders & Investors' Grievance Committee Meeting of the Company took on record the status of 6 complaints/requests received from the shareholders. The average time taken to resolve the complaints was 10 days.
- v) There was none of the complaint, which was not solved to the satisfaction of the shareholder.
- vi) The Company had one (1) transfer covering 100 shares, pending at the close of the financial year which were processed in the Share Transfer Committee Meeting held on 14.04.2007.
- 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 four times in a month on an average basis 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?
17th	31.03.2006	Punjabi Bagh Club Ring Road, Punjabi Bagh, New Delhi-110026	30.09.2006 10:30 A.M.	No
16th	31.03.2005	Satyam Banquets, 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087	30.09.2005 10:30 A.M.	No
15th	31.03.2004	Satyam Banquets, 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087	29.09.2004 10:30 A.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, Executive as well as Non-Executive, 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](http://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 2006-07."**

**(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](http://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 Friday, the 28th September, 2007, at 10:30 A.M.

### **ii) Financial Calender for the year 2007-08**

#### **a) Financial Reporting for -**

- Quarter ending 30.06.2007	:	End of July, 2007
- Quarter ending 30.09.2007	:	End of October, 2007
- Quarter ending 31.12.2007	:	End of January, 2008
- Quarter ending 31.03.2008	:	End of April, 2008

#### **b) Annual General Meeting for the**

year ended 31.03.2008	:	End of September, 2008
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### **iii) Book Closure Date**

The register of members and share transfer books of the Company will remain closed from 24.09.2007 to 28.09.2007 (both days inclusive).

### **iv) Dividend**

#### **i) Dividend Payment Date**

Not applicable as the company has not declared any dividend for the year under review.


**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, 2000 and thereafter, 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. Thereafter no claim shall lie either with the Central Government or with the Company in respect of such dividend. Unpaid Interim Dividend for the year ended 31.03.2000 has already been transferred to IEPF on 19.06.2007. Further, unpaid dividend for the financial year ended 31.03.2001 will be transferred to the said fund after 25.10.2008.

**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 2006-07 are as follows:

Month and Year	NSE Market Price Data		NSE [S&P Nifty] Indices	
	High (in Rs.)	Low (in Rs.)	High	Low
April, 2006	49.80	42.75	3598.95	3290.35
May, 2006	51.90	39.30	3774.15	2896.40
June, 2006	53.50	38.25	3134.15	2595.65
July, 2006	53.00	45.25	3208.85	2878.25
August, 2006	55.45	45.50	3452.30	3113.60
September, 2006	58.15	45.70	3603.70	3328.45
October, 2006	57.65	47.00	3782.85	3508.65
November, 2006	56.50	47.75	3976.80	3737.00
December, 2006	61.00	47.10	4046.85	3657.65
January, 2007	54.00	49.75	4167.15	3833.60
February, 2007	54.75	49.45	4245.30	3674.85
March, 2007	56.00	49.30	3901.75	3554.50

**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. Pradeep Gupta, Non-Executive Director and Chairman of Shareholders and Investors' Grievance Committee at the Registered Office of the Company.



Our RTA have moved to the given below address with better facilities to serve you better:

**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 31.03.2007**

Category Code	Category of Shareholder Total	Total Number of Shares	Total shareholding as a % of total number of shares
(A)	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>		
(1)	<b>Indian</b>		
	(a) Individuals / Hindu Undivided Family	2821972	66.4190%
	(b) Bodies Corporate	215172	5.0644%
	<b>Sub-Total (A)(1)</b>	<b>3037144</b>	<b>71.4834%</b>
(2)	<b>Foreign</b>		
	<b>Sub-Total (A)(2)</b>	-	-
	Total shareholding of Promoter and Promoter Group <b>[(A)=(A)(1)+(A)(2)]</b>	<b>3037144</b>	<b>71.4834%</b>
(B)	<b>PUBLIC SHAREHOLDING</b>		
(1)	<b>Institutions</b>		
	<b>Sub-Total (B)(1)</b>	-	-
(2)	<b>Non-Institutions</b>		
	(a) Bodies Corporate	296857	6.9869%
	(b) Individuals:-		
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	760484	17.8990%
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	153700	3.6175%
	(c) Any Other (specify) – NRIs	555	0.0131%
	<b>Sub-Total (B)(2)</b>	<b>1211596</b>	<b>28.5166%</b>
	Total Public Shareholding <b>[(B)=(B)(1)+(B)(2)]</b>	<b>1211596</b>	<b>28.5166%</b>
(C)	<b>SHARES HELD BY CUSTODIAN AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>4248740</b>	<b>100.0000%</b>

**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 31.03.2007, 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.	1505	32.58%	35,02,019	82.42%
2.	C.D.S.L.	370	8.01%	3,54,260	8.34%
3.	Physical	2744	59.41%	3,92,461	9.24%
	<b>Total</b>	<b>4619</b>	<b>100.00%</b>	<b>42,48,740</b>	<b>100.00%</b>





**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

NEW DELHI  
AUGUST 27, 2007.

(M.P.GUPTA)  
CHAIRMAN

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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**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 2007 as stipulated in clause 49 of 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 of 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 27, 2007.

(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, 2007, the Profit & Loss Account & 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 the 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 (Auditor's 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 informations 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 & Loss Account and 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 & 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, 2007;
    - 2) in so far as it relates to the Profit & Loss Account, of the Profit for the year ended on 31st, March, 2007; and
    - 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, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st, March, 2007 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 27, 2007

**(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 thenature of the 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 itsfixed assets.
- ii) a) Physical verification of inventories has been conducted at reasonable intervals during the year by the menagement. In our opinion, the frequency of the 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 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. 595.00 Lacs. However outstanding at the year end is Rs. 246.39Lacs 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 Lakh 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 loan from directors from 15 companies / firms / parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.255.00 Lacs and the year end balance of loans/Deposits/ICD's taken from such parties was Rs.108.00 Lacs.
- 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 into 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 the value of rupee five lakhs 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 sections 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 accounts 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 protection fund, employees' state insurance, income tax, sales tax, wealth tax, service 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 31.03.2007 for a period of more than six months from the date they became payable.  
c) According to the information and explanations given to us and the records of the company examined by us, the disputed amount of income tax liability of approx Rs. 24.07 lacs pertaining to the Asstt. Year 2000-01, 2001-02, 2002-03 and 2003-04 for which requisite appeals before honourable Delhi High Court/ ITAT / CIT Appeals are pending has not been deposited by the company. However the issues involved in these years are mainly similar as decided by honourable Delhi High Court/ITAT in favour of the company in Asstt. Year 1996-97, 1997-98 and 1998-99.
- x) The Company is a profit making company and having nil accumulated losses upto 31.03.2007.

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 debenture holders.
- 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 loan 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 term investment.
- 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 any such case by the management.

**For B.K.Goel & Associates**  
Chartered Accountants

New Delhi  
August 27, 2007

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



# Bharat RASAYAN LIMITED

18th Annual Report 2006-2007

## BALANCE SHEET AS AT 31st MARCH, 2007

Particulars	Schedule No.	As at 31.03.2007 (Rupees)	As at 31.03.2006 (Rupees)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	42,487,400	42,487,400
Reserves & Surplus	2	252,177,233	294,664,633
<b>Loan Funds</b>			243,419,745
Secured Loans	3	43,698,149	41,170,901
Unsecured Loans	4	10,950,000	54,648,149
Deferred Tax Liability (See Note No. 20)	21	7,895,517	25,600,000
		<u>357,208,299</u>	66,770,901
			<u>6,865,689</u>
			<u>359,543,735</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	176,739,396	172,386,783
Less : Depreciation		<u>119,541,979</u>	<u>110,382,417</u>
NET BLOCK		57,197,417	62,004,366
Investment (At Cost)	6	23,179,417	13,159,000
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	61,266,151	77,625,104
Machinery Spare Parts & Others (WIP)	-	5,649,382	3,807,016
Sundry Debtors	8	166,444,755	131,372,999
Cash & Bank Balances	9	7,618,378	3,272,499
Other Current Assets	10	2,767,892	1,242,000
Loans & Advances	11	58,582,393	109,310,765
TOTAL - [A]		<u>302,328,951</u>	<u>326,630,383</u>
<b>Current Liabilities &amp; Provisions</b>			
Liabilities	12	24,892,544	42,086,325
Provisions	13	604,942	163,689
TOTAL - [B]		<u>25,497,486</u>	<u>42,250,014</u>
NET CURRENT ASSETS [A - B]		276,831,465	284,380,369
		<u>357,208,299</u>	<u>359,543,735</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 27, 2007.


**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007**

	Schedule No.	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
<b>INCOME</b>			
Income from operation	20	590,552,558	476,400,086
Other Income	19	11,509,637	20,334,351
		602,062,195	496,734,437
<b>EXPENDITURE</b>			
Cost of goods consumed/sold	14	475,720,557	366,950,072
Manufacturing Expenses	15	43,902,959	36,906,756
Personnel Expenses	16	28,874,184	27,641,372
Administrative & Selling Expenses	17	26,394,745	26,208,703
Interest	18	5,203,106	6,776,127
Depreciation	5	9,588,127	8,468,881
		589,683,678	472,951,911
<b>Profit before tax</b>		<b>12,378,517</b>	<b>23,782,526</b>
Provision for Taxation - Current Liability		4,354,894	9,129,999
- Deferred Tax Assets		1,029,828	(835,281)
		5,384,722	8,294,718
<b>Less: Excess for tax Reverse</b>		<b>1,763,693</b>	<b>-</b>
		<b>3,621,029</b>	<b>8,294,718</b>
<b>Profit after tax</b>		<b>8,757,488</b>	<b>15,487,808</b>
Add : Balance brought forward from previous year		3,419,745	7,931,937
<b>Balance available for appropriation</b>		<b>12,177,233</b>	<b>23,419,745</b>
<b><u>Appropriations</u></b>			
Transferred to General Reserve		10,000,000	20,000,000
Balance being surplus carried to Balance Sheet		2,177,233	3,419,745
		<b>12,177,233</b>	<b>23,419,745</b>

**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 27, 2007.



# **Bharat RASAYAN LIMITED**

18th Annual Report 2006-2007

	As at 31.03.2007 (Rupees)	As at 31.03.2006 (Rupees)
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## **SCHEDULE - 1**

### **SHARE CAPITAL**

#### **Authorised**

10,000,000 Equity Shares of Rs. 10/- each	<u>100,000,000</u>	<u>100,000,000</u>
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#### **Issued, Subscribed & Paid-Up**

4,248,740 Equity Shares of Rs. 10/- each	<u>42,487,400</u>	<u>42,487,400</u>
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## **SCHEDULE - 2**

### **RESERVES & SURPLUS**

#### **General Reserve**

- at the commencement of the year	240,000,000		220,000,000	
- transferred from the Profit & Loss Account	<u>10,000,000</u>	<u>250,000,000</u>	<u>20,000,000</u>	240,000,000

<b>Surplus being balance in Profit &amp; Loss Account</b>	<u>2,177,233</u>		<u>3,419,745</u>	
	<u>252,177,233</u>		<u>243,419,745</u>	

## **SCHEDULE - 3**

### **SECURED LOANS**

#### **Working Capital Borrowings**

State Bank of India	<u>43,698,149</u>	<u>41,170,901</u>
---------------------	-------------------	-------------------

\*The borrowings are secured by way of :

- 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.
- 3) the borrowings are further guaranteed by the personal guarantees of the Managing Director and Whole Time Directors of the Company.

## **SCHEDULE - 4**

### **UNSECURED LOANS**

- from Directors	-	1,600,000
- from Public-Fixed Deposits	10,800,000	24,000,000
- Security Deposits from Customers	<u>150,000</u>	-
	<u>10,950,000</u>	<u>25,600,000</u>



**SCHEDULE - 5**  
**FIXED ASSETS**

(Rupees)

Particulars	Gross Block (At Cost)					Depreciation				Net Block	
	As at 31.03.06	Additions during the year	Sales during the year	Adjustment	As at 31.03.07	Up to 31.03.06	For the Year	Adjustment	Upto 31.03.07	As at 31.03.07	As at 31.03.06
1. Land	608,803	-	-	-	608,803	-	-	-	-	608,803	608,803
2. Building	13,324,252	-	-	-	13,324,252	6,576,167	517,428	-	7,093,595	6,230,657	6,748,085
3. Plant & Machinery	150,589,792	4,362,527	500,000	(95,400)	154,356,919	98,500,433	8,382,633	283,585	106,599,481	47,757,438	52,089,359
4. Furniture & Fixture	2,092,612	16,382	-	-	2,108,994	1,176,211	167,527	-	1,343,738	765,256	916,401
5. Office Equipments	4,332,641	454,542	4,500	(155,205)	4,627,478	3,104,412	406,422	136,634	3,374,200	1,253,278	1,228,229
6. Vehicles	1,438,683	-	300	(9,191)	1,429,192	1,025,194	106,867	8,346	1,123,715	305,477	413,489
7. R&D Equipments	-	283,758	-	-	283,758	-	7,250	-	7,250	276,508	-
<b>Total</b>	<b>172,386,783*</b>	<b>5,117,209</b>	<b>504,800</b>	<b>(259,796)</b>	<b>176,739,396*</b>	<b>110,382,417*</b>	<b>9,588,127</b>	<b>428,565</b>	<b>119,541,979</b>	<b>57,197,417</b>	<b>62,004,366</b>
Corresponding figures for the prev. year	154,603,569	18,235,254	387,000	45,110	172,406,713	102,013,054	8,468,881	79,588	110,402,347	62,004,366	52,590,515

\*Rs. 19,930/- excluded from Opening Gross Block on account of accumulated depreciation of same amount, included in the last year.

<b>As at</b>	<b>As at</b>
<b>31.03.2007</b>	<b>31.03.2006</b>
<b>(Rupees)</b>	<b>(Rupees)</b>

**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]	<b>13,159,000</b>	<b>13,159,000</b>
(ii) 10015.984 Unit of Reliance Liquid Plus Fund (NAV Rs. 1000.423 per Unit)	<b>10,020,417</b>	
<b>Total</b>	<b>23,179,417</b>	<b>13,159,000</b>

**SCHEDULE - 7**  
**INVENTORIES**

(As taken, valued & certified by the management)

**A) Raw Materials & Other Consumable Goods**

i) Raw Materials, Consumable & Utilities	<b>21,090,980</b>	<b>27,113,422</b>	
ii) Consumable Stores and Packing Materials	<b>609,440</b>	<b>281,281</b>	
iii) Fuels	<b>1,460,732</b>	<b>23,161,152</b>	<b>28,668,631</b>
<b>B) Stock-in-process</b>		<b>22,770,352</b>	<b>21,522,147</b>
<b>C) Finished Goods</b>		<b>15,334,647</b>	<b>27,434,326</b>
		<b>61,266,151</b>	<b>77,625,104</b>





# Bharat RASAYAN LIMITED

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As at 31.03.2007

As at 31.03.2006

(Rupees)

(Rupees)

## SCHEDULE - 8

### SUNDRY DEBTORS

(Unsecured, Considered Good)

- Outstanding for more than 6 months

- Others

1,366,520

3,418,589

165,078,235

127,954,410

166,444,755

131,372,999

## SCHEDULE - 9

### CASH & BANK BALANCES

a. Cash in hand

398,222

486,346

b. Balances with Scheduled Banks & Other Banks

i) in Current Accounts

6,809,987

2,158,340

ii) in Unpaid Dividend Accounts

410,169

627,813

7,618,378

3,272,499

## SCHEDULE - 10

### OTHER CURRENT ASSETS

Fixed Deposits with State Bank of India

(Margin Money for LC / BG)

2,767,892

1,242,000

## SCHEDULE - 11

### LOANS & ADVANCES

(Unsecured - Considered Good)

a) Loans

Inter Corporate Deposits

24,638,566

59,500,000

b) Advances recoverable in cash or in kind or for value to be received

i) Central Excise Duty & Service Tax

11,888,531

18,631,938

ii) Export Incentives Receivables

13,288,690

10,524,999

iii) Commissioner of Central Excise & Custom

1,068,189

2,467,631

iv) Suppliers, Staff and Others

6,451,740

32,697,150

17,364,970

48,989,538

c) Security Deposits

i) For Electricity and Power

1,056,077

590,627

ii) For Telephones & Telex

29,800

34,800

iii) with Suppliers and Others

160,800

1,246,677

195,800

821,227

58,582,393

109,310,765

## SCHEDULE - 12

### CURRENT LIABILITIES

Sundry Creditors

17,661,183

36,158,784

Expenses Payable

6,749,837

5,244,079

Advance from Customers

71,355

55,649

Unclaimed Dividend

410,169

627,813

24,892,544

42,086,325

## SCHEDULE - 13

### PROVISIONS

- for income tax (Net of taxes paid)

604,942

163,689



# **Bharat RASAYAN LIMITED**

*18th Annual Report 2006-2007*

	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
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## **SCHEDULE - 14**

### **COST OF GOODS CONSUMED / SOLD**

#### **Opening Stock**

- Finished Goods	27,434,326	11,962,847	
- Stock-in-process	21,522,147	9,265,180	
- Raw Materials, Consumables & Others	<u>28,668,631</u>	<u>19,915,514</u>	41,143,541

#### **Add : Purchases**

- Raw Materials, Consumables & Others	<u>459,361,604</u>		403,431,635
	<u>536,986,708</u>		<u>444,575,176</u>

#### **Less : Closing 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>77,625,104</u>

(As taken, valued & certified by the management)

<u>475,720,557</u>	<u>366,950,072</u>
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## **SCHEDULE - 15**

### **MANUFACTURING EXPENSES**

Freight & Cartage Inward	7,917,516	6,055,124
Power & Electricity	11,768,909	10,159,721
Testing Expenses	26,997	66,153
Machinery Repairs & Maintenance	11,536,888	12,250,815
Factory Maintenance	2,314,603	1,481,921
Laboratory Expenses	1,236,702	1,166,745
Job Work Expenses	4,239,660	5,726,277
R & D Expenses	4,584,484	-
ETP Expenses	<u>277,200</u>	<u>-</u>
	<u>43,902,959</u>	<u>36,906,756</u>

## **SCHEDULE - 16**

### **PERSONNEL EXPENSES**

Salaries, Wages, Bonus and Staff Accomodation	23,697,968	22,585,715
Staff and Labour Welfare Expenses	911,253	987,887
Employer's contribution to Provident Fund & ESI	1,302,776	904,469
Diwali Expenses	316,400	234,535
Staff Bus Expenses	1,537,693	1,504,234
Premium for Employees' Gratuity Policy	696,638	1,119,492
Workers Safety Expenses	<u>411,456</u>	<u>305,040</u>
	<u>28,874,184</u>	<u>27,641,372</u>



# **Bharat RASAYAN LIMITED**

18th Annual Report 2006-2007

	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
<b>SCHEDULE - 17</b>		
<b>ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Advertisement Expenses	504,471	268,946
AGM Expenses	10,766	8,460
Audit Fee		
- as Auditors	100,000	100,000
- as Advisors - Management services	60,000	120,000
Bad Debts	448,635	2,386,001
Bank Charges	961,504	937,718
Books, Periodicals and Subscriptions	494,371	482,526
Building Repairs & Maintenance	924,710	860,976
Business Promotion Expenses	67,226	461,581
Car Repairs & Maintenance	337,473	373,574
Commission Paid	2,095,076	1,884,782
Computer Expenses	290,830	199,780
Conveyance Expenses	952,403	929,436
Directors' Remuneration	3,477,550	3,063,932
Donations	12,153	24,852
Electricity Charges	253,160	273,689
Filing Fee	8,448	3,000
Freight & Cartage Outward	8,072,829	6,942,105
Hire Charges	67,773	54,162
Insurance Charges	2,518,411	1,742,964
Legal & Professional Expenses	1,510,309	1,178,745
Listing Fee	8,400	8,400
Miscellaneous and General Expenses	305,511	475,453
Office Expenses	261,937	351,542
Postage, Telegram & Telephone Expenses	833,130	816,926
Printing & Stationery	361,271	273,716
Rates & Taxes	233,906	255,638
Rebates	-	87,876
Rent Paid	61,770	68,250
Sales Tax Paid	-	28,258
Security Services	540,198	519,113
Service Tax Paid	56,190	104,722
Tour & Travelling Expenses	564,334	921,580
	<b>26,394,745</b>	<b>26,208,703</b>
<b>SCHEDULE - 18</b>		
<b>INTEREST PAID</b>		
- on Fixed Deposits	1,754,109	3,052,721
- to the Managing Director	36,164	812,071
- to Others	3,822,574	3,666,634
	<b>5,612,847</b>	<b>7,531,426</b>
Less : <u>Interest received</u>		
- from Bank on FDR	79,546	70,439
- from Trade Debtors & Others	330,195	684,860
	<b>409,741</b>	<b>755,299</b>
Net Paid	<b>5,203,106</b>	<b>6,776,127</b>



# **Bharat RASAYAN LIMITED**

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	Year ended 31.03.2007 (Rupees)	Year ended 31.03.2006 (Rupees)
<b>SCHEDULE - 19</b>		
<b>OTHER INCOME</b>		
Rental Charges of Cylinders	219,000	245,000
Interest Received on Investments	4,046,630	9,322,143
Income from Dividend / Mutual Fund	20,417	554,337
Profit on Sale of Fixed Assets	168,768	34,478
Keyman Insurance (Surrender Value)	-	10,178,393
Short & Excess	135,963	-
Commission	6,835,674	-
Bad debts Recovered	83,185	-
	<u>11,509,637</u>	<u>20,334,351</u>

## **SCHEDULE - 20**

### **INCOME FROM OPERATION**

Sales	577,459,479	464,527,036
Job Work	-	96,183
Export Incentives	13,093,079	11,776,867
	<u>590,552,558</u>	<u>476,400,086</u>

## **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 31.03.2007 Rs.	Year ended 31.03.2006 Rs.
i) Salaries	3,302,400	2,760,000
ii) Monetary value of perquisites	175,150	303,932
	<u>3,477,550</u>	<u>3,063,932</u>

- Computation of net profit in accordance**  
with section 198 of the Companies Act, 1956

Profit before income tax	11,998,290	23,782,526
Add : Directors' remuneration	3,477,550	3,063,932
Eligible Profit	<u>15,475,840</u>	<u>26,846,458</u>
Maximum remuneration allowable as per section 309(3) of the Companies Act, 1956 read with Schedule-XIII	<u>3,477,550</u>	<u>3,063,932</u>

- 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.



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 :

	<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>
	<b>Rs. in Lacs</b>	<b>Rs. in Lacs</b>
i) Counter guarantees given to the banks in respect of guarantees given by them	<b>8.33</b>	<b>2.80</b>
ii) Guarantees given to Sales Tax Authorities under Local and Central Sales Tax Act for business associates	<b>7.60</b>	<b>6.70</b>

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 31.03.2007 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 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 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.
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 recognition 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. 48,68,242/- (Revenue Expense of Rs. 45,84,484/- and Capital Expenditure of Rs. 2,83,758/-) 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) Shri S.N.Gupta Chairman & Managing Director  
 ii) Shri M.P.Gupta Director  
 iii) Shri 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 .N.Gupta	Managerial Remuneration & Interest Paid (Rs. 16.88 Lacs)
Shri M.P.Gupta	Managerial Remuneration (Rs. 8.35 Lacs)
Shri R.P.Gupta	Managerial Remunerations Rs. 8.35 Lacs)
Bharat Insecticides Limited	Material purchased & Rent paid for Rs. 22.66 Lacs and sales & Jobwork for Rs. 599.78 Lacs
BR Agrotech Limited	Purchase of Materials & Job work Rs. 0.52 Lacs and sales of Rs. 316.25 Lacs & sale of Fixed Assets Rs. 2.60 Lacs
SIRIS Crop Sciences Limited	Purchase of materials & Job work worth Rs. 609.62 Lacs Sale/Transfer of DEPB Licence for Rs. 20.98 Lacs Sale of Fixed Assets Rs. 2.60 Lacs Interest received Rs. 40.47 Lacs on ICD Commission Received Rs. 76.72 Lacs
Relatives of Key Managerial Personnel	Interest paid Rs. 17.54 Lacs on Public Deposit of Rs. 240.00 Lacs

\*Reimbursements not taken into account and figures are inclusive of all taxes & duties.

- 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. 2.06 (Last Year Rs. 3.65).
- 20 As per Accounting Standard AS-22 on Accounting for Taxes on income, the Company has recorded the cumulative net deferred tax liability upto 31.03.2007 of Rs. 78,95,517/-. For the current year the Company has recorded the net deferred tax assets of Rs. 10,29,828/-, carrying forward cumulative deferred tax liability of Rs. 78,95,517/-.

	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
<u>Computation of Deferred Tax Liability/Assets</u>		
Difference in Tax and Book Depreciation	23,317,315	20,485,549
Less: Short Term Capital Loss eligible for Set off in next years	88,373	88,373
	<u>23,228,942</u>	<u>20,397,176</u>
Tax on above Difference	7,895,517	6,865,689
Deferred Tax Liability	7,895,517	6,865,689
Deferred Tax Assets for the Year	<u>1,029,828</u>	<u>835,281</u>



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

### I. CAPACITY & PRODUCTION

(Rounded off in metric tonnes)

	Inatalled Capacity		Production*	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Technical Grade Pesticides	1000	1000	643	539
Pesticides Formulations	600	600	278	181
Intermediates	400	400	736	603
	2000	2000	1657	1323

#### Notes :

1. Installed capacities are interchangeable between different products.
2. \*Net of capative 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

	2006-07		2005-06	
	Qty. (Kgs.)	Value (Rs. in Lacs)	Qty. (Kgs.)	Value (Rs. in Lacs)
<b>A) OPENING STOCK</b>				
<b>I) Finished Goods</b>				
Technical Grade Pesticides	43995	248.98	24843	93.95
Pesticides Formulations	10739	11.13	279	0.43
Intermediates	6710	14.23	8184	25.25
		<u>274.34</u>		<u>119.63</u>
<b>II) Stock-In-Process</b>				
Technical Grade Pesticides	53137	107.26	13652	30.76
Intermediates	61257	106.98	38339	57.46
Others	-	0.98	-	4.43
		<u>215.22</u>		<u>92.65</u>
<b>B) CLOSING STOCK</b>				
<b>I) Finished Goods</b>				
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	-	-
		<u>153.35</u>		<u>274.34</u>
<b>II) Stock-In-Process</b>				
Technical Grade Pesticides	9383	33.11	53137	107.26
Intermediates	56283	128.41	61257	106.98
Others	175,897	66.18	-	0.98
		<u>227.70</u>		<u>215.22</u>
<b>C) SALES*</b>				
Technical Grade Pesticides (Self manufactured)	639515	2665.16	520222	2302.91
Pesticides Formulations	288980	307.28	170420	201.97
Intermediates	715675	1950.72	604855	1739.10
Delhi Trading of Technical Grade Pesticides	350859	814.47	106102	318.59
Others	-	36.96	-	82.70
		<u>5774.59</u>		<u>4645.27</u>

\*Net of Captive Consumption



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	2006-07		2005-06	
	Qty. (Kgs.)	Value (Rs. in Lacs)	Qty. (Kgs.)	Value (Rs. in Lacs)
<b>D) CONSUMPTION OF RAW MATERIALS</b>				
Aluminium Chloride	1051315	403.24	915600	311.38
Benzaldehyde	630000	458.50	547270	420.94
D.V.Acid Chloride	186826	718.34	115613	522.01
Phenol	535670	326.55	456500	256.62
Parachloro Toluene	136800	78.33	199000	182.31
Isopropyl Bromide	84995	80.39	92524	94.11
Sodium Cyanide	150115	124.95	136172	91.35
Caustic Soda Flasks	346910	120.44	84260	16.95
Caustic Soda Lye	1066083	105.67	826084	73.71
Toluene	376950	176.83	391537	146.16
Fuels	704,130	186.28	-	320.58
Others	-	1856.69	-	1388.09
		<u>4636.21</u>		<u>3824.21</u>
Increase/Decrease in Stock of Finished Goods (Opening-Closing)		121.00		(154.71)
<b>Cost of Goods Consumed</b>		<u>4757.21</u>		<u>3669.50</u>
<b>III. VALUE OF IMPORTS</b>				
Raw Materials (CIF Value)		<u>710.24</u>		<u>397.98</u>
<b>IV. EXPENDITURE IN FOREIGN CURRENCIES</b>				
i) Material / Capital		388.78		-
ii) Travelling Expenses		0.73		2.99
iii) Commission on Sales		8.41		7.27
iv) Others		0.82		4.21
		<u>398.74</u>		<u>14.47</u>
<b>V. EARNING IN FOREIGN CURRENCIES</b>				
Export of Goods (FOB value/CIF)		<u>2443.75</u>		<u>2139.57</u>
<b>VI. CONSUMPTION OF IMPORTED &amp; INDIGENOUS MATERIALS</b>				
	2006-07		2005-06	
	% of total Consumption	Value (Rs. in Lacs)	% of total Consumption	Value (Rs. in Lacs)
Imported	14.09	653.17	9.47	362.04
Indigenous	85.91	3983.04	90.53	3462.17
	<u>100.00</u>	<u>4636.21</u>	<u>100.00</u>	<u>3824.21</u>





**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration / CIN No.	L24119DL1989PLC036264	State Code	55
Balance Sheet Date	31.03.2007		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Issue	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	382,706	Total Assets	382,706
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**Sources of Funds**

Paid-up Capital	42,487	Reserves & Surplus	252,177
Secured Loans	43,698	Unsecured Loans	10,950
Deferred Tax Liability	7,896		

**Application of Funds**

Net Fixed Assets	57,197	Investments	23,180
Net Current Assets	276,831	Misc. Expenditure	—

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

Turnover (Sales & Other Income)	602,062	Total Expenditure	589,683
Profit before tax	12,379	Profit after tax	8,757
Earning per share (in Rs.)	2.06	Dividend rate (in %)	—

**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 31.03.2007 (Rs. in lacs)	Year ended 31.03.2006 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before income tax & extraordinary items	123.79	237.83
<b>Adjustments for:</b>		
Depreciation	95.88	84.69
Profit/Loss on sale of fixed assets	(1.69)	(0.34)
Interest received	(4.10)	(7.55)
Interest paid	56.13	75.31
<b>Operating profit before working capital changes</b>	<b>270.01</b>	<b>389.94</b>
<b>Adjustments for:</b>		
Increase/Decrease in Sundry Debtors	(350.72)	(113.86)
Increase/Decrease in Inventories	163.59	(364.82)
Increase/Decrease in Machinery Spare Parts	(18.42)	(14.01)
Increase/Decrease in Loans and Advances	507.28	(595.86)
Increase/Decrease in Current Liabilities	(171.94)	272.28
<b>Cash generated from operations</b>	<b>399.80</b>	<b>(426.33)</b>
Interest received	4.10	7.55
Interest paid	(56.13)	(75.31)
Direct taxes paid	(21.50)	(109.63)
<b>Net cash from operating activities</b>	<b>326.27</b>	<b>(603.72)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Investment in Shares & Units	(100.20)	533.10
Additions to fixed assets	(51.17)	(182.35)
Proceeds from sale of fixed assets	5.04	3.87
<b>Net Cash used in Investing Activities</b>	<b>(146.33)</b>	<b>354.62</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from new borrowings	25.27	336.38
Repayment of borrowings	(146.50)	(144.00)
<b>Net cash used in financing activities</b>	<b>(121.23)</b>	<b>192.38</b>
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>58.71</b>	<b>(56.72)</b>
<b>Cash and cash equivalents as at 01.04.2006</b>	<b>45.15</b>	<b>101.87</b>
<b>Cash and cash equivalents as at 31.03.2007</b>	<b>103.86</b>	<b>45.15</b>

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 27, 2007.

# **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 18th Annual General  
Meeting of the Company to be held on Friday, the 28th September, 2007 or at any adjournment thereof.

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

D.P.ID No.\*..... Client ID No.\*.....

Signed this.....day of .....2007.

Afix  
Revenue  
Stamp

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 18th Annual General Meeting on Friday, the 28th September, 2007 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)

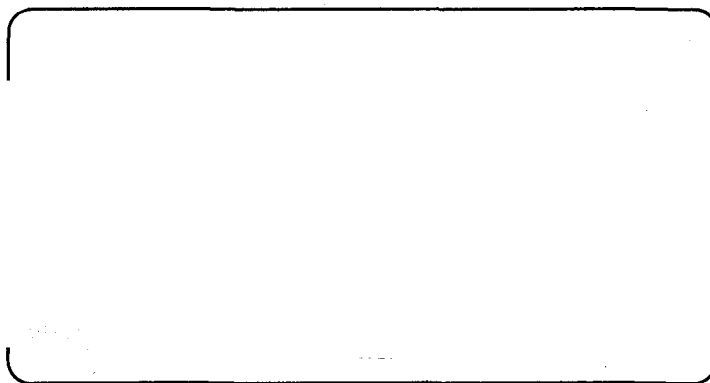
\*Delete whichever is not applicable

\*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.