



Bharat RASAYAN LIMITED
(AN ISO 9001 : 2008 CERTIFIED COMPANY)



23rd
Annual Report
2011-2012



Bharat RASAYAN LIMITED
23rd Annual Report 2011-2012

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

AJAY GUPTA Director (Executive)
V.K. SHARMA Director (Executive)
SANDESH JAIN Director (Independent & Non-Executive)
NARESH AGARWAL Director (Independent & Non-Executive)
PANKAJ GUPTA Director (Independent & Non-Executive)
RAM KANWAR Director (Independent & Non-Executive)
AMIT GUPTA Additional Director

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

DEEPIKA BHARDWAJ

AUDITORS

M/S. B.K. GOEL & ASSOCIATES

Chartered Accountants
P-16, N.D.S.E.-II, New Delhi - 110 049.

COST AUDITORS

M/S. M.K. SINGHAL & CO.

Cost Accountants
"Panchvati", Opp. M.M.College, Modinagar - 201 204 (U.P.).

BANKERS

- **STATE BANK OF INDIA**
- **AXIS BANK LIMITED**
- **YES BANK LIMITED**

REGISTERED OFFICE

1501, Vikram Tower, Rajendra Place, New Delhi - 110 008.

FACTORY

Unit-I 2 KM Stone, Madina-Mokhra Road, Village Mokhra,
Tehsil Meham, Distt. Rohtak (Haryana).
Unit-II Mambapur/Gummadidala Village, Jinnaram Mandal
Distt. Medak - 502 313, Andhra Pradesh.
Unit-III 42/4, Amod Road, GIDC, Industrial Estate, Dahej,
Distt. Bharuch - 392 130, Gujarat

**REGISTRAR & SHARE
TRANSFER AGENT**

M/S. LINK INTIME INDIA PVT. 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
E-mail ID : delhi@linkintime.co.in

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

visit us at www.bharatgroup.co.in

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NOTICE

Notice is hereby given that the twenty-third Annual General Meeting of the members of Bharat Rasayan Limited will be held on Saturday, September 29, 2012 at 10.30 a.m. at Satyam Banquets, 6, Bhera Enclave, Paschim Vihar, Outer Ring Road, New Delhi-110 087, to transact the following business:

ORDINARY BUSINESS

Item No.1 - Adoption of Accounts

To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2012, Statement of Profit and Loss for the year ended on that date together with the report of the Board of Directors and Auditors thereon.

Item No.2 - Declaration of Dividend

To declare dividend on equity shares for the financial year ended March 31, 2012.

Item No. 3 - Re-appointment of Shri M. P. Gupta

To appoint a Director in place of Shri M. P. Gupta, who retires by rotation and, being eligible, seeks re-appointment.

Item No. 4 - Re-appointment of Shri R. P. Gupta

To appoint a Director in place of Shri R. P. Gupta, who retires by rotation and, being eligible, seeks re-appointment.

Item No.5 - Re-appointment of Shri Sandesh Jain

To appoint a Director in place of Shri Sandesh Jain, who retires by rotation and, being eligible, seeks re-appointment.

Item No. 6 - Re-Appointment of Statutory Auditors

To re-appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** M/s. B. K. Goel & Associates, Chartered Accountants (Firm Registration No. 016642N), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors based on the recommendations of the Audit Committee."

SPECIAL BUSINESS

Item No. 7 - Appointment of Shri Amit Gupta as Director, liable to retire by rotation

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

"**RESOLVED THAT** Shri Amit Gupta, who was appointed as an Additional Director on the Board of the Company with effect from January 09, 2012, pursuant to Section 260 of the Companies Act, 1956 (the "Act") and Article 89 of the Articles of Association of the Company and who holds office till the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing, under Section 257 of the Act, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Non Executive and Independent Director of the Company, liable to retire by rotation."

Item No. 8 - Appointment of Shri V. K. Sharma as a Director liable to retire by rotation and also as a Whole-time Director designated as an Executive Director

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



"**RESOLVED THAT** Shri V. K. Sharma, who was appointed as an Additional Director on the Board of the Company with effect from October 24, 2011, pursuant to Section 260 of the Companies Act, 1956 (the "Act") and Article 89 of the Articles of Association of the Company and who holds office till the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing, under Section 257 of the Act, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof, approval of the Company be and is hereby accorded to the appointment of Shri V. K. Sharma, as a Whole-time Director designated as Executive Director of the Company for a period of two years with effect from October 24, 2011, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 9 - Authorisation to make contribution/donation under Section 293(1)(e) of the Companies Act, 1956

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

"**RESOLVED THAT** pursuant to the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company (hereinafter referred to as "the Board") be and is hereby authorized to make contribution of sum for projects undertaken by Association or Institution approved by the National Committee for Promotion of Social and Economic Welfare and for donating/promoting/sponsoring activities of charitable, social, benevolent and other Non-Profit making Organisation, Society, Trust and to other Funds up to an amount not exceeding ₹3,00,00,000/- (Rupees Three Crores Only) out of profit of the Company for the financial year 2012-13.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary and/or expedient for implementing and giving effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard on behalf of the Company."

Regd. Office
1501, Vikram Tower
Rajendra Place
New Delhi-110008
August 27, 2012

By order of the Board of Directors
For Bharat Rasayan Limited

Deepika Bhardwaj
Company Secretary

Notes:

1. **A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company.**

The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.



2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
3. In terms of Article 86 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri M. P. Gupta, Shri R. P. Gupta and Shri Sandesh Jain, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
4. Members holding shares in the dematerialized form are requested to mention their Client ID/DP ID Nos. and those holding shares in physical form are requested to mention their Folio Nos. on the Attendance slip and hand over the same at the entrance of the Meeting Hall for attending the Meeting.
5. Members are requested to bring their copy of Annual Report to the Annual General Meeting. As a measure of economy, copies of Annual Report will not be distributed at the Meeting.
6. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders and in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the Meeting.
7. In case of joint holders attending the Meeting, only such holder who is higher in the order of names will be entitled to vote.
8. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.
9. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent (RTA) at the address provided in this report, the detail of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon.
10. The Company's shares are admitted in both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for custody and dematerialization of securities. Members can avail of the depository facilities by approaching any of the Depository Participants (DPs) of NSDL or CDSL or by approaching the RTA of the Company.
11. Members desirous of seeking any information from the Company are requested to send their queries to the Company at its registered office at 1501, Vikram Tower, Rajendra Place, New Delhi- 110 008 well in advance so that the same may reach at least ten days before the date of the AGM to enable the Company to keep the information readily available at the meeting.
12. (a) The Company has notified closure of Register of Members and Share Transfer Books from Friday the 21st day of September, 2012 to Saturday the 29th September, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
(b) The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on or before October 27, 2012, to those members whose names shall appear on the Company's Register of Members on September 21, 2012. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.



13. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
14. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company Secretary or to M/s. Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agent of the Company.
15. Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, unclaimed dividends for the financial years 2007-08, 2008-09, 2009-10 & 2010-2011 shall be transferred by the Company to the **Investor Education and Protection Fund (IEPF)** established by the Central Government after completion of seven years from the date they became due for payment.

The Company has also uploaded details of members whose amount of dividend is lying unpaid with the Company alongwith the proposed date of their transfer to the IEPF Account on the IEPF portal, www.iepf.gov.in and the same is also available at the Company's website www.bharatgroup.co.in, in compliance with the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, as notified by the Ministry of Corporate Affairs w.e.f. May 20, 2012.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd.
17. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company or can also be downloaded from the website of Ministry of Corporate Affairs (MCA) www.mca.gov.in.
18. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to special business under item nos. 7, 8 & 9 is annexed hereto.
19. Details of Directors seeking appointment and re-appointment at the Annual General Meeting scheduled to be held on September 29, 2012, pursuant to the requirements of Clause 49 of the Listing Agreement are as given:

Particulars	Shri M. P. Gupta	Shri R. P. Gupta	Shri Sandesh Jain
Date of Birth	January 12, 1954	March 05, 1966	July 03, 1964
Qualification	B.Com.	B.Com.	B.Com., FCA
Expertise in Specific Functional Area	Shri M. P. Gupta has an experience of more than 35 Years in the Corporate Sector. He has to his credit, vast experience in the field of Finance, Banking, Taxation, Accounts and General Administration.	He has vast experience of 26 years (approx) in varied fields like Manufacturing/ Production, Procurement and General Administration.	Shri Sandesh Jain is a Practicing Chartered Accountant. He has over 22 years of experience in providing consultancy services in the Corporate Sector in the field of Corporate Law & Finance.



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Particulars	Shri M. P. Gupta	Shri R. P. Gupta	Shri Sandesh Jain
	Shri M. P. Gupta is a Director in the Company since incorporation i.e. May 15, 1989.	He has been instrumental in setting up the Company's plant at Dahej (Gujarat) and is also involved in activities at other plants located at Rohtak (Haryana) and Andhra Pradesh. Shri R. P. Gupta is associated with the Company since its incorporation i.e. May 15, 1989.	Shri Sandesh Jain has been on the Board as a Non-Executive & Independent Director since September 30, 2006.
Directorship in other Companies	<ul style="list-style-type: none"> - Bharat Insecticides Ltd. - B R Agrotech Ltd. - Vikas Technopack Pvt. Ltd. - Synochem Organics Pvt. Ltd. - Samhlo Farms Pvt. Ltd. 	<ul style="list-style-type: none"> - Bharat Insecticides Ltd. - B R Agrotech Ltd. - Samhlo Farms Pvt. Ltd. 	<ul style="list-style-type: none"> - Rathi Graphic Technologies Ltd. - Mask Impex Pvt. Ltd. - Beach Financial Services Pvt. Ltd. - RGTL Industries Ltd. - Joy Commercial Pvt. Ltd. - Ideal Fiscal Services Ltd. - SFSL Investments Ltd. - SMGK Agro Products Pvt. Ltd.
Membership/ Chairmanship of committees across all Public Companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	<p>Shareholders'/Investors' Grievance Committee</p> <ul style="list-style-type: none"> - Bharat Rasayan Ltd.® 	Nil	<p>Audit Committee</p> <ul style="list-style-type: none"> - Bharat Rasayan Ltd.* - Rathi Graphic Technologies Ltd* <p>Shareholders'/Investors' Grievance Committee</p> <ul style="list-style-type: none"> - Rathi Graphic Technologies Ltd.®

*Chairman

®Member



Particulars	Shri V. K. Sharma	Shri Amit Gupta
Date of Birth	November 23, 1951	January 10, 1982
Qualification	Ph.D in Chemical Technology	Post Graduate (MBA in Marketing)
Expertise in Specific Functional Area	Shri V. K. Sharma has a rich experience of 27 Years (approx.) in Agrochemical and Pharmaceutical Industries. He is actively involved in the areas of Production and General Administration of Company's Unit located at Dahej, Gujarat. He has been on the Board as an Executive Director with effect from October 24, 2011.	Shri Amit Gupta has done his post graduation in Marketing and has overall experience of 5 years (approx.) in this field. He specializes in Marketing Strategies. He has been on the Board as a Non-Executive and Independent Director since January 09, 2012.
Directorship in other Companies	Nil	Nil
Membership/ Chairmanship of committees across all Public Companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	Nil	Audit Committee - Bharat Rasayan Limited® Shareholders'/Investors' Grievance Committee - Bharat Rasayan Limited®

*Chairman ®Member

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 7

The Board of Directors of the Company ('the Board'), at its meeting held on January 09, 2012, appointed Shri Amit Gupta, as an Additional Director of the Company with effect from January 09, 2012, pursuant to Section 260 of the Companies Act, 1956 ('the Act') read with Article 89 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Shri Amit Gupta holds office upto the date of the ensuing Annual General Meeting of the Company scheduled to be held on September 29, 2012. The Company has also received a notice in writing from a member alongwith a deposit of ₹ 500/- for proposing his candidature for the office of Director as Non-Executive and Independent Director of the Company under Section 257 of the Act.

None of the Directors of the Company except Shri Amit Gupta, to whom the resolution relates, is concerned or interested in the resolution.

The Board commends the resolutions as set out at Item No. 7 of the Notice for your approval.



Item No. 8

The Board of Directors of the Company ('the Board'), at its meeting held on October 24, 2011, appointed Shri V. K. Sharma, as an Additional Director of the Company with effect from October 24, 2011, pursuant to Section 260 of the Companies Act, 1956 ('the Act') read with Article 89 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Shri V. K. Sharma holds office upto the date of the ensuing Annual General Meeting of the Company scheduled to be held on September 29, 2012. The Company has also received a notice in writing from a member alongwith a deposit of ₹ 500/- for proposing his candidature for the office of Director of the Company under Section 257 of the Act.

Further, the Board also appointed, subject to the approval of members in general meeting, Shri V. K. Sharma as Whole-time Director, designated as Executive Director, for a period of 2 years commencing from October 24, 2011, on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

Broad particulars of the terms of appointment of and remuneration payable to Shri V. K. Sharma are as under:

- (a) **Remuneration:** Remuneration including Basic Salary, House Rent Allowance (H.R.A.), Transport Allowance, Special Allowance etc. aggregating to, but not exceeding ₹ 1,30,384/- (Rupees One lacs thirty thousand three hundred eighty four only) per month.
- (b) **Perquisites in addition to the above:** In addition to aforesaid remuneration, Shri V. K. Sharma will be entitled to:
- Perquisites in the nature of Medical reimbursements, Books & Periodicals, Petrol and Driver's Salary/Helper Allowance subject to the maximum of ₹ 12,250/- per month.
 - Contribution to Employees Provident Fund (EPF) and Gratuity Fund shall be as per Company's Rules. The same will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half a month salary for each completed year of service.
 - The Company may provide Car for business of the Company. Provision of car for use on company's business will not be considered as perquisites. Use of Car for private purpose shall be billed by the Company and paid by him.
 - The Company may provide Mobile and Telephone facility at residence of Shri V. K. Sharma. However, personal long distance calls shall be billed by the Company and paid by him.

Shri V. K. Sharma shall be entitled to increment as per Company's policy, provided the total remuneration payable to him shall not exceed, at any time, amount permissible under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

In the event of no profits or inadequacy of profits in any financial year, remuneration payable to Shri V. K. Sharma, shall be regulated in accordance with applicable Parts/Sections to the Schedule XIII and/or other applicable provisions of the Companies Act, 1956, as existing from time to time.

Shri V. K. Sharma satisfies all the conditions set out in Part - I of Schedule XIII to the Act for being eligible for the re-appointment. He is not disqualified from being appointed as a Director in terms of Section 274(1) (g) of the Act. Shri V. K. Sharma upon appointment shall be subject to retirement by rotation during his tenure of appointment in the Company.

The resolution seeks the approval of the members in terms of Sections 257, 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The above may be treated as an abstract of the terms of appointment of Shri V. K. Sharma under Section 302 of the Act.



No Director, except Shri V. K. Sharma to whom the resolution relates is interested or concerned in the resolution. The Board commends the resolution as set out at Item No. 8 of the Notice for your approval.

Item No. 9

In order to undertake activities relating to upliftment of public/people at large and for their welfare by rendering corporate social responsibility, the Company is considering various proposals for contribution of sum for projects undertaken by Association or Institution approved by the National Committee for Promotion of Social and Economic Welfare and for donating/promoting/ sponsoring activities of charitable, social, benevolent and other Non-Profit making Organization, Society, Trust and other Funds.

Pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956, approval of the Members is required for contribution to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, where the proposed contribution in aggregates exceeds ₹ 50,000 or 5% of average net profit of three financial years immediately preceding the current financial year, whichever is greater.

It is, therefore, proposed to obtain approval of the members for authorizing the Board of Directors to contribute a sum not exceeding ₹ 3.00 Crores out of profit of the Company to any charitable, social, benevolent, public or general fund and to any Non-Profit making Organization, Society, Trust, an Association of Institution and other funds not directly relating to the business of the Company in one or more installments as may be considered fit and proper by the Board of Directors, notwithstanding the fact that the said amount may exceed 5% of the Company's average net profits, as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, during the immediately three preceding financial years.

No Director is interested or concerned directly or indirectly in the resolution. The Board commends the resolution as set out at Item No. 9 of the Notice for your approval.

Regd. Office
1501, Vikram Tower
Rajendra Place
New Delhi-110008
August 27, 2012

By order of the Board of Directors
For Bharat Rasayan Limited

Deepika Bhardwaj
Company Secretary



DIRECTORS' REPORT

Your Directors are pleased to present the 23rd Annual Report and the audited accounts of the Company for the financial year ended March 31, 2012.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2012 as compared with the previous year's performance is envisaged below:

(₹ In Lacs)

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Sales & Other Income (including Exceptional Items)	14112.84	9737.62
Total Expenditure (excluding Depreciation & Interest)	12553.52	8747.62
Profit before interest & depreciation	1559.32	990.00
Less : Interest	25.89	5.68
: Depreciation	161.72	181.40
Profit before income tax	1371.71	802.92
Less : Tax Expenses	388.69	214.02
Profit after tax	983.02	588.90
Provision for Dividend Distribution Tax	8.27	8.27
Provision for Dividend	50.98	50.98
Other Appropriations	3.73	—
	920.04	529.65
Surplus brought forward from previous year	483.44	23.79
Profit available for appropriation	1403.48	553.44
Appropriations		
Transferred to General Reserve	50.00	70.00
Balance being surplus carried over to the Balance Sheet	1353.48	483.44

DIVIDEND

Your Directors have recommended a dividend of ₹ 1.20 per Equity Share for the financial year ended March 31, 2012. The dividend will be paid to members whose names appear in the Register of Members as on September 21, 2012; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

EXPANSION OF MANUFACTURING FACILITIES

Management is delighted to inform that the construction of new manufacturing plant at Dahej (Gujarat) is at the stage of completion. Out of three production blocks, production has been started in one block and remaining two blocks will also start operation very soon. The plant is set up on an industrial plot developed by Gujarat Industrial Development Corporation (GIDC), admeasuring approx. 26 acres in the Chemical Approved Industrial Zone situated at Dahej, Gujarat, 40 km from Bharuch.

The new project which being in chemical approved industrial zone would result in easy accessibility of resources and fast statutory approvals of manufacturing pesticides. With inherent strong advantages of this project, expanded capacity, regular involvement of management and concerted efforts of the employees of the Company, it is highly expected that new project will enhance economic value addition and shareholders' value.



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A detailed report on the Management's discussion and analysis, for the year under review, as stipulated under Clause 49 of the Listing Agreement, forms part of this report as **Annexure -I'**.

FIXED DEPOSIT

During the financial year ended on March 31, 2012, a sum of ₹ 3 Lacs was accepted as fixed deposit pursuant to the provisions of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975. As on March 31, 2012, no amount of fixed deposit was over due with the Company.

QUALITY INITIATIVES

BRL is enterprise-wide certified against ISO 9001:2008 (Quality Management). During the year under review, the Company has successfully completed ISO 9001:2008 Surveillance-2 Audit of its manufacturing unit located at Rohtak (Haryana). The Company has also taken various initiatives to keep the environment free from pollution. Various devices in the factory have been installed to control the pollution.

This demonstrate BRL's commitment to achieve total customer satisfaction by supplying quality products and services that improves lives and deliver outstanding value to customers. The Company also ensures compliance with the quality management system and continually improves its effectiveness.

INSURANCE

The Company has carried out 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.

DIRECTORS

The composition of the Board of Directors is in accordance with the provisions of the Companies Act, 1956 (the 'Act'), the Articles of Association of the Company and satisfies the requirements envisaged in the Listing Agreement entered into with the Stock Exchanges.

During the year under review, Shri V. K. Sharma and Shri Amit Gupta were appointed as Additional Directors of the Company with effect from October 24, 2011 and January 09, 2012, in accordance with the provisions of Section 260 of the Act, read with Article 89 of the Articles of Association of the Company. Shri V. K. Sharma and Shri Amit Gupta hold office till the date of the Annual General Meeting of the Company scheduled to be held on September 29, 2012. The Board recommend their appointment.

Pursuant to Section 255 and 256 of the Companies Act, 1956 read with Article 86 of the Articles of Association of the Company, Shri M. P. Gupta and Shri R. P. Gupta, Whole time Directors and Shri Sandesh Jain, Director are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 pertaining to the Directors' Responsibility Statement, your Directors hereby confirm that:

- (i) in preparation of annual accounts, applicable accounting standards have been followed;
- (ii) the Accounting Policies selected in consultation with the Statutory Auditors have been applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012, and of profit of the Company for that period;
- (iii) proper and sufficient care has been taken to the best of knowledge and ability for maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts for the year have been prepared on a "going concern basis".



COST AUDITORS

Subsequent to the approval accorded by the Central Government under Section 233B(2) of the Companies Act, 1956, the Board has appointed M/s M. K. Singhal & Co., Cost Accountants, as Cost Auditor of the Company to conduct an audit of cost accounts maintained by the Company, for the financial year 2012-13.

AUDITORS AND AUDITORS' REPORT

M/s B. K. Goel & Associates, Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for reappointment. They have expressed their willingness to continue as the Statutory Auditors, if re-appointed at the Annual General Meeting to hold office until the conclusion of the next Annual General Meeting of the Company.

The Company has also received a certificate from the Auditors stating that their appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Act.

The notes to Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in Report of Board of Directors) Rules, 1988 form part of this Report as **Annexure -II'**.

PERSONNEL

During the financial year ended March 31, 2012, none of the employees was in receipt of remuneration exceeding limit specified under Section 217(2A) read with the amended Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

Your Company believes that good Corporate Governance is the basis of stakeholders' satisfaction and is thus, committed to attain the highest level of transparency, accountability and compliance of law in all facets of operations.

A detailed report on Corporate Governance along with the certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this report.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their gratitude for the assistance and cooperation received from the shareholders, customers, vendors, financial institutions, banks, Government authorities for their consistent support and cooperation to the Company during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

On behalf of the Board

New Delhi
August 27, 2012

S. N. Gupta
Chairman & Managing Director



ANNEXURE - 'I' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Bharat Rasayan Limited (BRL) is engaged in the business of agrochemicals and is one of the leading manufacturer and exporter of 'Pesticides, Technical Formulation and their Intermediaries'. BRL is one of the few companies manufacturing its own technical grade pesticides from basic raw materials. This gives the Company an inherent advantage over quality and prices and this further leads to manufacturing of quality products at competitive prices.

In India, agriculture sector is principal source of livelihood of more than 58% of the population. However, in Indian agrochemicals industry, there is equal presence of Multinational as well as Indian Companies. The MNCs have focused on high-end specialty products whereas Indian players have focused on generic and off-patent products.

BRL has well equipped laboratory with latest analytical equipments which enables the Company to achieve total customer satisfaction by supplying quality products and services. The Company's products have been widely accepted in foreign markets also and it has excellent track record of sales of Products.

Financial performance with respect to operational performance

Despite various constraints and the challenging environment, your Company registered a turnover of ₹151.18 crore during the year under review, thereby reporting a growth of 55.02% over the previous year's turnover of ₹97.52 crore. During the year under review the Company performed reasonably well and the highlights of the performance are as under:

- ◆ Total Revenue increased by 50.24% to ₹141.56 crore from ₹94.22 crore in the previous year
- ◆ Exports decreased by 0.46 % to ₹27.89 crore from ₹28.02 crore in the previous year
- ◆ Profit Before Tax increased by 70.84% to ₹13.72 crore from ₹8.03 crore in the previous year
- ◆ Net Profit increased by 66.89 % to ₹9.83 crore from ₹5.89 crore in the previous year
- ◆ EPS increased by 66.96% to ₹23.14 per share from ₹13.86 per share in the previous year

Your Company is further optimistic about improving and expanding its operations to exploit the market potential to its advantage.

Opportunity and Threats

Agrochemicals have become an integral part of the development process of agriculture and the use is expected to increase manifold in India. One of the most important ways to produce higher quantity and better quality of produce is the use of latest agricultural technology viz. better seeds, crop protection measures, fertilizers and agronomic methods by the farmers.

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.

However, with the growth of Indian economy and several agriculture oriented policy initiatives taken by the Government on improving productivity in the Agriculture Sector and the availability of credit to the agriculture sector as priority sector, the prospects of Agrochemicals industry is expected to improve as a whole.

Outlook

Crop protection chemicals not only help to increase food production by protecting crops against damages but also reduce and eliminate insect blemishes and contamination, making it possible to produce free of insect fragments. Owing to this, Agrochemicals have become an integral part of the development process of agriculture in India.

Companies are increasingly training farmers regarding the right use of agrochemicals in terms of quantity, application and appropriateness for pest problems. With increasing awareness, the use of agrochemicals is expected to increase.



Moreover, considering newly expanded project of the Company and Amalgamation synergies, current financial year 2012-13 appears to be a good year.

Risks and concerns

Indian agriculture is still very dependent on traditional practices and its insecticides, pesticides and herbicides usage is still very low. India's agrochemicals consumption is one of the lowest in the world. The key reasons for this under-consumption comprise low farmer purchasing power, low crop protection awareness and poor crop protection chemical accessibility.

Another concern to the agrochemical industry is that the overall pesticides business is highly dependent on monsoon. Sudden change in weather affects the demand for the agrochemicals and this kind of risk remains in this industry.

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 and is subject to competition from China.

Management of your Company always keeps stakeholders' interests in mind while taking all decisions such that their interests are not adversely affected. The Company has also put in place a risk management framework to identify, assess, prioritize and alleviate risk. The risks are periodically assessed and reviewed and corrective actions are taken to mitigate effects.

Internal Control systems and their adequacy

The Company has a strong internal control system with an efficient monitoring and reporting mechanism to ensure compliance with applicable statutes and monitor effectiveness & adequacy of controls throughout the organization. The system is designed to ensure that the assets of the Company are safeguarded and protected against loss and that all the transactions are properly authorized, recorded and reported. The internal audit function team comprises of well-qualified experienced professionals who control regular audits across the Company's operations. The management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Independent Audit Committee of the Board of Directors.

Further the CEO/CFO certification also confirms adequacy of internal control system and procedures in the Company.

Human Resource Development

Your Company believes that human resources are the most precious assets of the Company. 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. Your Company is privileged to have the right blend of professionals and executives in the organization and makes sincere efforts to ensure numerous opportunities for their growth in the organization. As on March 31, 2012, 299 numbers of employees (including Chairman & Managing Director) were on Company's Roll.

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 at all levels of the Company remained cordial during the year.

Cautionary Statement

Certain statements in the above section may be forward looking and be based on expectations/projections about the future. Company's actual results, performance could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any of such forward looking statements on the basis of subsequent developments, information or events.



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) Energy conservation has been an important thrust area of the management and is being continuously monitored and efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an ongoing basis. Wherever possible, energy conservation measures have already been implemented.
- (c) The energy consumption and the cost of production is being kept under control.
- (d) Total energy consumption and energy consumption per unit of production as per **Form-A** given herewith:

FORM A

Form for disclosure of particulars with respect to conservation of energy

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
(i) Unit (KWH)	5718754.00	3043382.00
(ii) Total amount (₹)	28505064.00	17229871.00
(iii) Rate/unit	4.98	5.66
(b) Own generation		
(i) Through diesel generator/ Furnace Oil (FO)		
• Unit (KWH)	1385035.00	1187449.00
• Units per ltr. of diesel oil/Furnace Oil (FO)	3.22	3.18
• Cost/unit	14.48	12.83
(ii) Through Steam turbine/generator	N.A.	N.A.
2. Coal		
• Quantity (tones) (Pet Coke/Wood)	3510.75	1763.43
• Total cost (₹)	27596372.00	13530625.00
• Average rate (In Kgs)	7.86	7.67
3. Furnace Oil/HSD		
• Quantity (Kgs/Ltrs)	677670.00	420107.00
• Total amount (₹)	25640555.00	12193333.00
• Average rate	37.84	29.02
4. Others / Internal generations	N.A.	N.A.
B. CONSUMPTION PER UNIT OF PRODUCTION		
• Electricity	1.01	0.81
• Coal	1.68	1.21
• Furnace Oil/HSD	0.32	0.28



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:
 - (a) Capital : ₹ 19.28 lacs
 - (b) Recurring : ₹ 49.30 lacs
 - (c) Total : ₹ 68.58 lacs
 - (d) Total R&D expenditure (as % of total expenditure) : 0.54 %

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 ₹2527.91 lacs (previous year ₹1678.99 lacs)
- (3) Total foreign exchange earned ₹2788.80 lacs (previous year ₹2801.60 lacs)



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Bharat Rasayan Limited (BRL) is committed to run its business in a legal, ethical and transparent manner with dedication that originates from the very top and permeate throughout the organization. Importance of Corporate Governance has always been recognized and is manifested in the Company's vision. BRL is in compliance with the requirement stipulated under Clause 49 of the Listing Agreement entered into with the National Stock Exchange of India Ltd. (NSE) with regard to the Corporate Governance.

A report on compliance with the requirement of Corporate Governance laid down in the Listing Agreement is enumerated herein below:

2. BOARD OF DIRECTORS

(A) Composition of the Board

The Company has Board strength of 10 Directors with an optimum combination of Executive and Non Executive Directors including Independent Directors in conformance with the requirements of the Listing Agreement. As on March 31, 2012, the Board comprised of 5 Executive Directors including the Chairman & Managing Director and 5 Non-Executive and Independent Directors constituting half of the Board.

The composition of the Board of Directors, attendance at the Meetings held during the year alongwith the number of Directorships and Committee positions (Chairmanships/ Memberships) held by them in other Companies as on March 31, 2012 are given herein below:

Name of the Directors	Attendance at the Meeting held during the year 2011-12		Number of outside Directorships ¹	Number of Committee positions held in Public Companies ²	
	Board Meetings (out of 13 held)	Last AGM held on 29.09.2011		Chairman	Member
Executive Directors					
Shri S. N. Gupta Chairman & Managing Director	12	Yes	3	Nil	Nil
Shri M. P. Gupta Whole Time Director	10	Yes	2	Nil	1
Shri R. P. Gupta Whole Time Director	8	Yes	2	Nil	Nil
Shri Ajay Gupta	12	No	Nil	Nil	Nil
Shri V. K. Sharma ³	1	No	Nil	Nil	Nil
Non- Executive & Independent Directors					
Shri Sandesh Jain	11	Yes	4	2	1
Shri Naresh Agarwal	4	No	Nil	Nil	Nil
Shri Pankaj Gupta	11	Yes	Nil	1	1
Shri Ram Kanwar	3	Yes	Nil	Nil	Nil
Shri Amit Gupta ⁴	2	No	Nil	Nil	2

Notes: There are no inter-se relationships between our Board Members.

¹ Number of outside Directorships exclude alternate directorship, directorship in Private Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.



² In accordance with Clause 49 of the Listing Agreement, the membership/ chairmanship of only the Audit Committee and Shareholders'/ Investors' Grievances Committee of all Public Limited Companies (including Bharat Rasayan Limited) has been considered.

³ Shri V. K. Sharma was appointed by the Board of Directors of the Company as an Additional Director w.e.f. October 24, 2011 and is proposed to be appointed as an Executive Director liable to retire by rotation in the ensuing Annual General Meeting.

⁴ Shri Amit Gupta was appointed by the Board of Directors of the Company as an Additional Director w.e.f. January 09, 2012 and is proposed to be appointed as an Independent Director liable to retire by rotation in the ensuing Annual General Meeting.

(B) Board Meetings

The Board of Directors met thirteen times during the year ended March 31, 2012 on the dates given below:

April 27, 2011; May 14, 2011; June 13, 2011; July 16, 2011; August 12, 2011; August 26, 2011; September 19, 2011; October 24, 2011; November 12, 2011; December 31, 2011; January 09, 2012; February 14, 2012 and March 07, 2012

The maximum time gap between any two consecutive meetings did not exceed four months as stipulated under Clause 49 of the Listing Agreement. All the relevant information including the information specified in Annexure IA to Clause 49 of the Listing Agreement was made available to the Board members.

(C) Code of Conduct

The Code of Conduct for the Board Members and Senior Management Personnel of the Company, duly adopted by the Board is available on the Company's website, www.bharatgroup.co.in. All the Board Members and Senior Management of the Company have affirmed compliance with the said Code for the year ended March 31, 2012.

A declaration to this effect signed by the Chairman & Managing Director, as placed before the Board also forms part of this report.

3. BOARD COMMITTEES

3.1. Audit Committee

The Company has a qualified and Independent Audit Committee in accordance with the provisions of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement and acts as a link between the Management, the Statutory and Internal Auditors of the Company.

(A) Composition

The Audit Committee comprises of three Non Executive and Independent Directors with Shri Sandesh Jain as the Chairman of the Committee and Shri Pankaj Gupta and Shri Amit Gupta as its members all of whom are financially literate and have relevant financial and accounting expertise.

**Ms. Itti Bhargava, Company Secretary acted as the Secretary to the Audit Committee. However, consequent to her resignation w.e.f December 14, 2011, Ms. Deepika Bhardwaj has been appointed as the Company Secretary of the Company w.e.f January 02, 2012 and she act as the Secretary to the Committee since the date of her appointment.*

Shri Sandesh Jain, Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on September 29, 2011.

(B) Terms of Reference

The terms of reference of the Audit Committee is as set out in the Listing Agreement read with Section 292A of the Companies Act, 1956.



(C) Meetings and Attendance

During the year 2011-12, eight meetings of the Audit Committee were held on May 14, 2011; June 13, 2011; July 16, 2011; August 12, 2011; August 26, 2011; September 19, 2011; November 12, 2011 and February 14, 2012. The requisite quorum was present at every meeting of the Audit Committee. The details of the meetings attended by the members are as under:

S. No.	Name of the Members	Designation	Meetings Attended (out of 8 held)
1.	Shri Sandesh Jain	Chairman	7
2.	Shri Pankaj Gupta	Member	8
3.	Shri Amit Gupta ¹	Member	1*
4.	Shri Naresh Agarwal ²	Member	5*

¹ Shri Amit Gupta appointed as a member w.e.f. January 09, 2012

² Shri Naresh Agarwal ceased to be a member w.e.f. February 06, 2012

*Reflects the number of meetings held during the tenure of their membership

3.2. Remuneration Committee

(A) Composition

As on March 31, 2012, Remuneration Committee comprises of following three Non Executive and Independent Directors:

- Shri Sandesh Jain, Chairman
- Shri Pankaj Gupta
- Shri Amit Gupta

(B) Terms of Reference

The Remuneration Committee is empowered to review and recommend the remuneration packages of the Executive Directors including pension rights and compensation and such other terms of reference as may be assigned to it by the Board of Directors from time to time.

The recommendations of the Remuneration Committee are based on the overall financial performance and profitability of the Company, appointee's qualification, experience, past remuneration and performance and prevailing general economic conditions and emoluments being offered by other Companies in the industry.

(C) Meetings and Attendance

Two Remuneration Committee meetings were held during the year under review on August 26, 2011 and October 24, 2011. The details of meetings attended by its members are given below:

S. No.	Name of the Members	Designation	Meetings Attended (out of 2 held)
1.	Shri Sandesh Jain	Chairman	2
2.	Shri Pankaj Gupta	Member	2
3.	Shri Amit Gupta ¹	Member	Nil*
4.	Shri Naresh Agarwal ²	Member	2*

¹ Shri Amit Gupta appointed as a member w.e.f. January 09, 2012

² Shri Naresh Agarwal ceased to be a member w.e.f. February 06, 2012

*Reflects the number of meetings held during the tenure of their membership



(D) Remuneration Policy

Remuneration as recommended by the Remuneration Committee and approved by the shareholders is paid by way of salary, perquisites and allowances to the Managing Director, Whole-time Directors and Executive Directors of the Company. Details of the remuneration paid to the Directors in respect of the financial year 2011-12. is given herein below:

(₹ in Lacs)

Name & Designation of Director	Salary	Profit Based Commission	Other perquisites and allowances	Sitting Fees	Total
Executive Directors					
Shri S. N. Gupta Chairman & Managing Director	22.00	37.06	11.00	—	70.06
Shri M. P. Gupta Whole-Time Director	15.00	16.84	—	—	31.84
Shri R. P. Gupta Whole-Time Director	12.00	13.47	—	—	25.47
Shri Ajay Gupta	16.74	—	—	—	16.74
Shri V. K. Sharma	6.85	—	—	—	6.85

Notes:

- (a) Whole-Time Directors have been provided the telephone facilities at their residence for official use.
- (b) No sitting fee has been paid by the Company to any Director during the year under review.

(E) Shareholding of Non-Executive Directors

None of the Non-Executive Directors hold any shares in the Company, except Shri Amit Gupta who holds 3900 equity shares forming 0.09% of the paid up capital of the Company.

During the year under review, there were no pecuniary relationships or transactions with the Non-Executive Directors.

3.3. Shareholders'/Investors' Grievance Committee

(A) Compositions

The Shareholders'/Investors' Grievance Committee of Directors has been constituted under the chairmanship of a Non-Executive & Independent Director to look into the redressal of complaints of investors such as transfer and/or transmission of shares or non-receipt of dividend etc. As on March 31, 2012, the Committee comprises of:

- Shri Pankaj Gupta, Chairman
- Shri M. P. Gupta
- Shri Amit Gupta

Company Secretary acts as the Compliance Officer of the Company.



(B) Meetings and Attendance

During the financial year ended March 31, 2012, the Committee met four times on April 02, 2011; July 01, 2011; October 01, 2011 and January 02, 2012. The attendance of the members at the meetings is as follows:

S. No.	Name of the Members	Designation	Meetings Attended (out of 4 held)
1	Shri Pankaj Gupta	Chairman	4
2	Shri M. P. Gupta	Member	4
3	Shri Amit Gupta ¹	Member	Nil*
4	Shri Naresh Agarwal ²	Member	Nil*

¹ Shri Amit Gupta appointed as a member w.e.f. January 09, 2012

² Shri Naresh Agarwal ceased to be a member w.e.f. February 06, 2012

*Reflects the number of meetings held during the tenure of their membership

(C) Terms of Reference

The Shareholders'/Investors' Grievance Committee, inter alia, looks into Investors' Complaints/ Grievances relating to the transfer/transmission of shares, non-receipt of dividend, non receipt of share certificates, issue of duplicate share certificates and other miscellaneous request/ complaints. The Committee also oversees and review performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

(D) Details of Complaints received and resolved

Details of complaints received and resolved from the members of the Company during the financial year ended March 31, 2012, are as follows:

Opening Balance	Received during the year	Resolved during the year	Pending
—	9	9	—

The Company addresses all the complaints, suggestions and grievances expeditiously and replies are sent/issues are resolved within 15 days of their receipt except in case of dispute over facts or other legal constraints. The Company ensures timely and prompt submission of its response to the queries / clarifications sought by the Stock Exchanges, Investors and the Securities and Exchange Board of India (SEBI) from time to time.

3.4. Shares Transfer Committee

Composition and Meetings

For instant processing of investors request relating to the transfer, transmission and dematerialization of shares, the Board has constituted a Share Transfer Committee of Directors. The said Committee comprises of Shri M. P. Gupta as its Chairman and Shri R. P. Gupta and Shri Sandesh Jain as its Members.

The Committee meets as often as required to transact the cases related with the transfer, transmission and dematerialization of shares.



4. GENERAL BODY MEETINGS

The details of the Annual General Meetings held during the past three years and the Special Resolutions passed thereat are given below:

Financial Year ended	Date and Time	Venue	Special Resolution(s) passed
March 31, 2011	29.09.2011 10.30 A.M.	Satyam Banquets 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087	Alteration of the Articles of Association of the Company
March 31, 2010	20.08.2010 10:30 A.M.		None
March 31, 2009	25.09.2009 10:30A.M.		Alteration of the Articles of Association of the Company

Postal Ballot

During the financial year ended March 31, 2012, three Ordinary Resolutions were passed by the members of the Company through the process of Postal Ballot. Brief description of the matter sought approval of the members through Postal Ballot and result of the voting process is given below:

S. No.	Brief Description of the matter	For		Against	
		No. of shares	%	No. of shares	%
1.	Authorisation to Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the Company's unit located at Mambapur/ Gummadidala Village, Jinnaram Mandal, Distt. Medak-502313, Andhra Pradesh, pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956.	29,21,129	99.997%	100	0.003%
2.	Authorisation to the Board of Directors to borrow money in excess of the limit prescribed under Section 293(1)(d) of the Companies Act, 1956.	29,20,329	99.969%	900	0.031%
3.	Authorisation to the Board of Directors to make contribution to Charitable and other Funds not directly relating to the business of the Company, pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956.	29,20,214	99.965%	1,015	0.035%

Ms. Lakshmi Gurung, a Corporate Lawyer practicing Advocate at Delhi High Court was appointed by the Board of Directors as the Scrutinizer of the voting process. The Company announced the results of the Postal Ballot on February 15, 2012.

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of Special Resolution through Postal Ballot.



5. DISCLOSURES

(A) Materially Significant Related Party Transactions

Transactions with related parties have been disclosed in Note No. 2.31 of the Notes to Accounts to the financial statements in the Annual Report. However, these are not materially significant and do not have any potential conflict with the interest of the Company. All related party transactions are negotiated at arms' length basis and are only intended to further the interest of the Company.

(B) Compliance

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges and applicable SEBI regulations and guidelines. During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any statutory authorities on matters related to capital markets.

(C) Accounting Standards

The financial statements have been prepared following the prescribed Accounting standards and there has been no deviation in the accounting treatment during the year.

(D) Risk Management

The Company has a well defined risk management framework in place, which helps the management to identify and monitor the business risks on a continuous basis and initiate appropriate risk mitigation steps as and when deemed necessary. The Company periodically places before the Board for review, the risk assessment and minimization procedures being followed by the Company.

(E) Compliance with mandatory requirements /adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements laid under Clause 49 of the Listing Agreement. The status of compliance with the non-mandatory recommendation is provided below:

- **The Board:** The Chairman of the Board is an Executive Director and accordingly no separate Chairman's office has been maintained. Further, the Company ensures that the persons appointed as Independent Directors on the Board possess requisite qualifications and experience that may prove beneficial to the Company. No maximum tenure for the Independent Directors has been specifically determined by the Board. However, the Independent Directors are liable to retire by rotation and may offer themselves for re-appointment.
- **Remuneration Committee:** The Board has constituted a Remuneration Committee. A detailed note on Remuneration Committee is provided under the section "Board Committees".
- **Shareholders' Rights:** The shareholders are kept informed about the financial performance of the Company and of the significant events, if any, in the Company. The financial results of the Company are also made available on the Company's website, www.bharatgroup.co.in.
- **Audit Qualifications:** During the year under review, there was no audit qualification in the Company's financial statements. It is always the Company's endeavor to present unqualified financial statements.
- **Whistler Blower Policy:** The Company has not adopted any Whistler Blower policy. However, the Company encourages a friendly environment where the employees have an access to the head of the Business/ function to forward any instance of unethical behavior.



6. MEANS OF COMMUNICATION

- (i) **Financial Results:** During the year under review, unaudited quarterly and audited annual financial results of the Company were published in "The Financial Express", English Edition and "Jansatta", Hindi Edition.
- (ii) **Website:** Shareholders' information is also available on the Company's website at www.bharatgroup.co.in
- (iii) **Annual Report:** Annual Report containing inter-alia Audited Annual Accounts, Directors' Report and other important information is circulated to the members and others entitled thereto. The annual report of the Company will be available on the website of the Stock Exchanges at www.nseindia.com and www.bseindia.com and also on the Company's website, www.bharatgroup.co.in, for information of the investors.
- (iv) **Designated Exclusive E-Mail ID:** The Company has designated an Email-Id dhawan@bharatgroup.co.in for investor servicing.

7. GENERAL SHAREHOLDERS' INFORMATION

(i) 23rd Annual General Meeting

Date & Time	September 29, 2012, Saturday, 10.30 a.m.
Venue	Satyam Banquets, 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087
Book Closure	September 21, 2012 to September 29, 2012

(ii) Dividend

(a) Dividend Payment date

The dividend on Equity Shares, if declared at the Annual General Meeting, will be credited / dispatched on or before October 27, 2012 to those members whose names shall appear on the Company's Register of Members on September 21, 2012. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.

(b) Unclaimed Dividend

Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, unclaimed dividends for the financial years 2007-08, 2008-09, 2009-10 & 2010-2011 shall be transferred by the Company to the **Investor Education and Protection Fund (IEPF)** established by the Central Government after completion of seven years from the date they became due for payment.

The Company has also uploaded details of members whose amount of dividend is lying unpaid with the Company alongwith the proposed date of their transfer to the IEPF Account on the IEPF portal, www.iepf.gov.in and the same is also available at the Company's website www.bharatgroup.co.in, in compliance with the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with the Companies) Rules, 2012, as notified by the Ministry of Corporate Affairs w.e.f. May 20, 2012.

(iii) Listing on Stock Exchange and Stock Code

Stock Exchange	Stock Code	Equity ISIN
National Stock Exchange of India Ltd. (NSE)	BHARATRAS	INE838B01013



(iv) Market Price Information

Monthly High, Low of the shares traded at the National Stock Exchange of India Ltd. (NSE) during the financial year 2011-12, is as follows:

Month and Year	NSE Market Price Data		NSE [S&P Nifty] Indices	
	High (₹)	Low (₹)	High	Low
April'11	105.00	82.00	5944.45	5693.25
May'11	211.50	96.05	5775.25	5328.70
June'11	124.90	96.50	5657.90	5195.90
July'11	139.90	91.15	5740.40	5453.95
August'11	110.00	87.00	5551.90	4720.00
September'11	112.00	95.10	5169.25	4758.85
October'11	128.00	98.85	5399.70	4728.30
November'11	124.90	101.10	5326.45	4639.10
December'11	140.00	103.10	5099.25	4531.15
January'12	164.00	118.00	5217.00	4588.05
February'12	162.00	117.20	5629.95	5159.00
March'12	148.85	120.50	5499.40	5135.95

(v) Registrar and Share Transfer Agent (RTA): M/s Link Intime India Pvt. Ltd.

A-40, 2nd Floor, Naraina Industrial Area,
Phase II, Near Batra Banquet Hall,
New Delhi - 110 028
Tel. Nos.: 011-41410592-94
Fax No.: 011-41410591
E-mail: delhi@linkintime.co.in

(vi) Share Transfer System

Shareholders may submit their request for share transfer or transmission alongwith the requisite documents at the Registered Office of the Company or to M/s Link Intime India Pvt. Ltd., Company's RTA. The share transfer/ transmission requests are processed by the RTA and after processing the same is forwarded to the Company for approval of the Shares Transfer Committee.

The Company obtains a certificate of compliance with the share transfer formalities from a Company Secretary in practice on a half yearly basis, a copy of which is submitted to the Stock Exchanges within the stipulated time in accordance with Clause 47 (c) of the Listing Agreement.

Shareholding Pattern as on March 31, 2012

Category of Shareholder	Number of Shares	% of Shareholding
Total Promoter and Promoter Group Holding (A)	3127349	73.6065%
Public Shareholding		
Bodies Corporate	566204	13.3264%
Individuals	553832	13.0352%
NRIs	1305	0.0307%
Clearing Members	50	0.0012%
Total Public Holding (B)	1121391	26.3935%
TOTAL (A+B)	4248740	100.0000%



(vii) Distribution of Shareholding as on March 31, 2012

Shareholding of Nominal Value (₹)	No. of Shareholders	% to total Shareholders	No. of Shares	Share Amount (₹)	% of Shareholding
Up to 5,000	3916	97.8266	472663	4726630	11.1248
5,001-10,000	45	1.1241	35870	358700	0.8443
10,001-20,000	13	0.3247	18452	184520	0.4343
20,001-30,000	2	0.0500	4927	49270	0.1160
30,001-40,000	2	0.0500	7500	75000	0.1765
40,001-50,000	1	0.0250	4059	40590	0.0955
50,001-1,00,000	2	0.0500	15981	159810	0.3761
1,00,001 & above	22	0.5496	3689288	36892880	86.8325
TOTAL	4003	100.0000	4248740	42487400	100.0000

(viii) Dematerialization of shares

The Company's shares are compulsorily traded in dematerialized form and through M/s Link Intime India Pvt. Ltd., the Registrar & Share Transfer Agent we have established connectivity with both the Depositories in India-National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository system is INE838B01013.

As on March 31, 2012, 92.81% of the paid up equity share capital of the Company has been dematerialized.

(ix) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on Equity

The Company has not issued any GDRs/ ADRs/ Warrants or any other instruments which are pending for conversion, likely to have impact on Equity.

(x) Plant Location

S. No.	Unit	Address
1	Unit - I	2 KM Stone, Madina-Mokhra Road, Village Mokhra, Tehsil Meham, Distt. Rohtak (Haryana).
2	Unit - II	Mambapur/Gummadidala Village, Jinnaram Mandal, Distt. Medak-502 313, Andhra Pradesh.
3	Unit - III	42/4, Amod Road, GIDC Industrial Estate, Dahej, Distt. Bharuch- 392 130, Gujarat.

(xi) Address for Correspondence

: M/s Bharat Rasayan Limited
Secretarial Department
1501, Vikram Tower, Rajendra Place,
New Delhi - 110008
Phone Nos.: 011-41538383 & 011-43661111
Fax no.: 011-25727781 & 011-43661100
Email-id: dhawan@bharatgroup.co.in



(xii) Other Material Information

In an effort to improve our services and to minimize investor grievances, we seek co-operation of our esteemed shareholders / members in the following matters.

- (a) **Green Initiative:** Ministry of Corporate Affairs ("MCA"), Government of India, vide its circulars dated April 21, 2011 and April 29, 2011, has taken a "Green Initiative in the Corporate Governance", thereby allowing Companies to serve documents to its members through electronic mode. Subsequently, SEBI has also vide its circular dated October 05, 2011, amended the Equity Listing Agreement and directed the listed entities to supply soft copy of Annual Reports to all those shareholders who have registered their email address for the purpose. Accordingly members are requested to register their email ids by sending request to the Company/RTA/concerned DPs (in case of Demat Holding). We solicit your valuable co-operation and support in our endeavor to contribute our bit to the Environment.
- (b) **Mandatory to submit PAN Card Copy (For Shares held in Physical form):** The Securities and Exchange Board of India (SEBI) has vide its circulars dated May 20, 2009 and January 07, 2010, made it mandatory to submit a copy of PAN card along with other documents for effecting transfer, transmission, transposition and name deletion of deceased holder from share certificate (in case of joint holding) in respect of shares held in physical form. Shareholders are therefore requested to ensure submission of a copy of their PAN Card, as in the absence of the said document, the above said requests in respect of shares held in physical form will stand rejected by the Company/ RTA.
- (c) **Change of Address:** In case of change in postal address or any incompleteness/ incorrectness in address mentioned in any correspondence by the Company, the shareholders are requested to intimate the correct/ complete postal address (including PIN Code) to the Company at the earliest to ensure proper delivery of documents. If the shares are held in dematerialized form, information may be sent to the DP concerned.
- (d) **Depository System:** By virtue of SEBI Circular dated 29th May, 2000 shares of the Company are subject to compulsorily trading in dematerialized form on the Stock Exchanges. For shareholder's convenience, the process for getting shares dematerialized is as follows:
- Shareholder shall submit original share certificate along with De-materialization Request Form (DRF) to the Depository Participant (DP)
 - DP shall process the DRF, generate a Unique De-materialization Request No. and forward the DRF alongwith the share certificate to the Registrar and Share Transfer Agent (RTA)
 - RTA after processing the DRF will confirm/reject the request to depositories
 - If confirmed by RTA, depositories will credit shareholder's account maintained with DP.

The entire process shall take approximately 15-20 days from the date of receipt of DRF. All shareholders who hold shares of the Company in physical form may get their shares dematerialized to enjoy paperless and easy trading of shares.

On behalf of the Board

New Delhi
August 27, 2012

S. N. Gupta
Chairman & Managing Director



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS & SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

"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 2011-12."

New Delhi
April 02, 2012

S. N. Gupta
Chairman & Managing Director

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, 2012, 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 Company's 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 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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 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, 2012

(B.K.GOEL)
Proprietor
Membership No.082081
[Firm Regn. No. 016642N]



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, 2012, 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 information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in paragraphs 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 and 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 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, 2012.
 - 2) in so far as it relates to the Profit & Loss account, of the Profit for the year ended on 31st March, 2012.



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- 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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, 2012

(B.K.GOEL)
Proprietor
Membership No.082081
[Firm Regn. No. 016642N]



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 operation of the Company and the same have been properly dealt with in the book of accounts.
- iii. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (a), (b), (c) & (d) of the Order are not applicable.
- (b) The Company has taken loans/ICDs from seven companies/firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The terms of such loans are not prejudicial to the interest of the Company. Maximum outstanding of such loans during the year was ₹1100.23 lacs. Repayment is as per the terms of the loan.
- 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 the value of ₹50,000 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.



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- 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 under Section 209(1)(d) of the Companies Act, 1956, 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. Some disputed issues on deductions U/s 80IA and 80HHC for Asstt Year 1997-98 to 2001-02 has been decided against the Company by Hon'ble High Court of Delhi. Quantum for tax liability giving effect to the orders has not yet decided and paid.
- (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 31.03.2012 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 up to 31.03.2012. 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. The Company has dealt with trading in marketable bonds/securities in its own name for which proper records have been maintained. Trading in the said bonds/securities was executed by the Company with intend to invest its surplus funds with a view to earn income from investment.
- 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 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, 2012

(B.K.GOEL)
Proprietor
Membership No.082081
[Firm Regn. No. 016642N]



BALANCE SHEET AS AT 31st MARCH, 2012

	Note No.	As at 31.03.2012 (₹)		As at 31.03.2011 (₹)	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2.1	42,487,400		42,487,400	
(b) Reserves and Surplus	2.2	486,864,684	529,352,084	394,860,295	437,347,695
(2) Non-Current Liabilities					
(a) Long-term borrowings	2.3	56,250,000		50,000	
(b) Deferred tax liabilities (Net)	2.4	15,067,118		18,609,587	
(c) Long term provisions	2.5	1,800,565	73,117,683	—	18,659,587
(3) Current Liabilities					
(a) Short-term borrowings	2.6	334,744,464		84,561,471	
(b) Trade payables	2.7	215,515,827		71,663,056	
(c) Other current liabilities	2.8	89,313,436		25,043,001	
(d) Short-term provisions	2.9	7,847,420	647,421,147	11,862,235	193,129,763
Total			1,249,890,914		649,137,045
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	2.10				
(i) Tangible assets		162,227,142		199,317,681	
(ii) Intangible assets		190,282		182,600	
(iii) Capital work-in-progress (Tangible)		482,699,436		32,788,321	
		645,116,860		232,288,602	
(b) Non-current investments	2.11	875,400		875,400	
(c) Long term loans and advances	2.12	9,777,252	655,769,512	7,831,755	240,995,757
(2) Current assets					
(a) Current investments	2.13	—		10,240,000	
(b) Inventories	2.14	167,019,493		118,223,486	
(c) Trade receivables	2.15	300,373,395		159,305,773	
(d) Cash and cash equivalents	2.16	16,084,300		10,938,107	
(e) Short-term loans and advances	2.17	102,193,911		97,458,482	
(f) Other current assets	2.18	8,450,303	594,121,402	11,975,440	408,141,288
Total			1,249,890,914		649,137,045

Significant Accounting Policies
and Notes to Accounts

1 & 2

The Notes referred to above form an integral part of Balance Sheet

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. 082081
[Firm Regn. No. 016642N]

S. N. GUPTA Chairman & Managing Director
M. P. GUPTA Whole Time Director
R. P. GUPTA Whole Time Director
DEEPIKABHARDWAJ Company Secretary

NEW DELHI
AUGUST 27, 2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	Note No.	Year ended 31.03.2012 (₹)	Year ended 31.03.2011 (₹)
I. Revenue from operations	2.19	1,414,079,736	938,113,307
II. Other Income	2.20	1,479,023	4,059,770
III. Total Revenue (I+II)		1,415,558,759	942,173,077
IV. <u>Expenses</u>			
Cost of materials consumed	2.21	995,692,792	539,597,580
Purchase of Stock-in-Trade		3,322,569	41,566,548
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.22	(60,863,435)	53,415,117
Employee benefit expense	2.23	89,620,805	78,513,810
Financial costs	2.24	2,588,505	567,820
Depreciation and amortization expense	2.10	16,172,125	18,139,713
Other expenses	2.25	227,579,203	161,669,009
Total Expenses		1,274,112,564	893,469,597
V. Profit before exceptional and extraordinary items and tax (III-IV)		141,446,195	48,703,480
VI. Exceptional Items	2.26	4,275,029	(31,588,566)
VII. Profit before tax		137,171,166	80,292,046
VIII. <u>Tax expense</u>			
(1) Current tax		42,411,155	7,982,844
(2) Deferred tax		(3,542,469)	13,418,627
IX. Profit for the period (VII - VIII)		98,302,480	58,890,575
X. Earning per equity share:			
(1) Basic		23.14	13.86
(2) Diluted		23.14	13.86

Significant Accounting Policies and Notes to Accounts 1 & 2

The Notes referred to above form an integral part of Statement of Profit & Loss

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. 082081
[Firm Regn. No. 016642N]

S. N. GUPTA Chairman & Managing Director
M. P. GUPTA Whole Time Director
R. P. GUPTA Whole Time Director
DEEPIKABHARDWAJ Company Secretary

NEW DELHI
AUGUST 27, 2012



Bharat RASAYAN LIMITED

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CASH FLOW STATEMENT PURSUANT TO LISTING AGREEMENTS

	Year ended 31.03.2012 (₹ in lacs)	Year ended 31.03.2011 (₹ in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before income tax & extraordinary items	1,371.71	802.92
Adjustments for		
Depreciation	161.72	186.93
Profit on sale of fixed assets	(3.27)	(7.36)
Insurance Claim on fixed assets	—	(370.08)
Interest received on investments	(8.52)	(26.41)
Dividend received	(0.73)	(2.76)
Interest paid	25.89	5.68
(Profit)/Loss on sale on Investments	4.20	(4.54)
Provision for Gratuity Written Back	1.93	—
Amalgamation expenses - W/o	7.56	1.69
	<u>188.78</u>	<u>(216.85)</u>
Operating profit before working capital changes	1,560.49	586.07
Adjustments for		
(Increase)/Decrease in Sundry Debtors	(1,410.68)	595.05
(Increase)/Decrease in Inventories (Includes Engg Items)	(487.96)	692.07
(Increase)/Decrease in Loans and Advances	(31.56)	(248.06)
Increase/(Decrease) in Current Liabilities & Provision	<u>2,100.50</u>	<u>(588.64)</u>
	<u>170.30</u>	<u>450.42</u>
Cash generated from operations	1,730.79	1,036.49
Direct taxes paid	(476.84)	(29.93)
Net cash from operating activities	1,253.95	1,006.56
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Investment in Shares & Units	98.20	(817.53)
Additions to fixed assets (Project)	(4,672.84)	(284.40)
Amalgamation Expenses	(7.56)	(8.44)
Insurance Claim received	—	370.08
Proceeds from sale of fixed assets	391.77	18.12
Interest received	8.52	26.41
Dividend received	0.73	2.76
Net Cash used in Investing Activities	(4,181.18)	(693.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceed/Repayment of borrowings	3,063.83	(426.94)
Dividend Paid	(50.98)	(76.48)
Dividend Distribution Tax paid	(8.27)	(12.70)
Interest paid	(25.89)	(5.68)
Net cash used in financing activities	2,978.69	(521.80)
Net increase in cash & cash equivalents (A+B+C)	51.46	(208.24)
Cash and cash equivalents as at 01.04.2011	109.38	317.62
Cash and cash equivalents as at 31.03.2012	160.84	109.38

Significant Accounting Policies and Notes to Accounts 1 & 2

The Notes referred to above form an integral part of Cash Flow Statement

Notes: 1) Previous year's figure have been regrouped to conform with those of current year.

2) Cash and Cash Equivalents

Cash and Bank Balances	99.25	44.04
Margin Deposits	61.59	65.34
	<u>160.84</u>	<u>109.38</u>

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. 082081
[Firm Regn. No. 016642N]

NEW DELHI
AUGUST 27, 2012

S. N. GUPTA Chairman & Managing Director
M. P. GUPTA Whole Time Director
R. P. GUPTA Whole Time Director
DEEPIKA BHARDWAJ Company Secretary



1. SIGNIFICANT ACCOUNTING POLICIES

The Management has followed appropriate accounting policies consistently. Judgments and estimates are prudently and reasonably used so as to give a true and fair view of the state of affairs of the Company as at 31.03.2012 and of the profit of the Company for the year ended on that date.

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary and also to comply with the requirement of Revised Schedule VI under Section 211 of the Companies Act, 1956.

1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

1.3 Own Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

1.4 Depreciation and Amortization

Depreciation on fixed assets is provided to the extent of depreciable amount on Written Down Value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

1.5 Impairment of Assets

The Management periodically assess using, external and internal sources, whether there is an indication that an assets may be impaired and Company foresee no such impairment indication as on the balance sheet date.

1.6 Foreign Currency Transactions

Export/Import Invoices in foreign currencies are recorded at the rate of exchange in force at the time of transactions. Provisions have been made 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.

1.7 Investments

All Investments are stated at cost and the same is consistently being followed.

1.8 Inventories

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

Items of inventories are measured after providing for obsolescence, if any. Inventory has been valued at lower of cost or net realizable value. All 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 up to the stage of production plus conversion cost apportioned. All stocks have been certified by the management.

The Company's manufacturing unit is a continuous processing unit and is located at a remote area. It needs uninterrupted 24 hours operation of its plant and hence all major spare parts, accessories, components for its huge plant has to be kept in reserve/stock to ensure the uninterrupted 24 hours operation of the plant. With the passage of time and due to fast changing technology, some very old/ obsolete Engineering stores and other spares out of it has rare possibility of its use and has a market price at almost scrap value. Keeping in view the above, Engineering stores and other spares are valued at cost or market price whichever is less. This practice is consistently being followed from the financial year 2008-09.



1.9 Revenue Recognition

Sales have been accounted for exclusive of sales tax wherever applicable and are net of returns and discounts. Exports benefits have been accounted for separately. The Export benefits are accrued on the date of export.

The Company follows the Accrual System of Accounting and on assumptions of an ongoing concern. Revenue is recognized only when it can be reliably measured.

Sales does not includes captive consumption.

1.10 Employee Benefits

- (i) Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year based on report of Actuarial Valuation.
- (ii) Long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year based on report of Actuarial Valuation. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

1.11 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

1.12 Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.14 Operating Cycle

The Normal Operating cycle can not be identified. It is assumed to have a duration of twelve months as operating cycle.

1.15 Segment Reporting

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" notified in Companies (Accounting Standards) Rules 2006, the Company's business segments includes only manufacturing of pesticides-technicals, formulations and its Intermediates, hence constitutes one single segment.

1.16 Change in Accounting Policy

Leave encashment was being accounted for on cash basis upto last year, now it is accounted for on accrual basis except leave encashment pertaining to Directors of the Company.

1.17 Improvement in Presentation of Financial Statements

Company continue to strive for better presentation of Financial Statements and accordingly presenting Sales as Gross Sales less Excise Duty whereas earlier it was shown as Net Sales only.



Bharat RASAYAN LIMITED
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	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
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NOTE NO. - 2.1

SHARE CAPITAL

Authorised Share Capital

2,00,00,000 Equity Shares of ₹ 10/- each 200,000,000 200,000,000

Issued, Subscribed and Paid-Up Capital

42,48,740 Equity Shares of ₹ 10/- each fully Paid-Up 42,487,400 42,487,400

a. Reconciliation of Number of Shares

Equity Shares	(Nos.)	(₹)	(Nos.)	(₹)
Balance as at the beginning of the year	4,248,740	42,487,400	4,248,740	42,487,400
Changes during the year	—	—	—	—
Balance as at the end of the year	4,248,740	42,487,400	4,248,740	42,487,400

b. Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

c. Details of Equity shareholders holding more than 5% of the aggregate Paid Up Share Capital.

Name	(Nos.)	(%)	(Nos.)	(%)
Shri Sat Narain Gupta	965,531	22.73%	765,531	18.02%
M/s. S. N. Gupta (HUF)	359,200	8.45%	359,200	8.45%
Shri Mahabir Prasad Gupta	356,000	8.38%	356,000	8.38%
Shri Rajender Prasad Gupta	290,344	6.83%	290,344	6.83%
Shri Dinesh Gupta	33,100	0.78%	233,100	5.49%

* Company has issued only Equity shares.

NOTE NO. - 2.2

RESERVES & SURPLUS

(A) General Reserve

- As at Commencement of the Year	346,516,577	385,000,000
- Adjustment as per AS-14 for Amalgamation with M/s. Siris Crop Sciences Limited	—	(45,483,423)
- Transferred from Statement of Profit and Loss	5,000,000	7,000,000
Sub - Total A	<u>351,516,577</u>	<u>346,516,577</u>



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	As at 31.03.2012		As at 31.03.2011	
	(₹)		(₹)	
(B) Surplus in Statement of Profit and Loss				
- As at Commencement of the Year	48,343,718		2,378,733	
Add : Surplus in statement of Profit and loss for the year	98,302,480	146,646,198	58,890,575	61,269,308
<u>Less:</u>				
Transfer to General Reserve	(5,000,000)		(7,000,000)	
Proposed Dividend	(5,098,488)		(5,098,488)	
Dividend Distribution Tax on Proposed Dividend	(827,102)		(827,102)	
Adjustment in Fixed Assets due to Order of assessing authority for the year 2003-04	565,455		—	
Earlier year Provisions no longer required (Provision for Gratuity)	193,252		—	
Income tax/MAT Credit no longer available	(1,131,208)	(11,298,091)	—	(12,925,590)
Balance as at end of the year	Sub - Total B	135,348,107	48,343,718	
	Total A+B	486,864,684	394,860,295	

NOTE NO. - 2.3

LONG-TERM BORROWINGS

A) Secured Loans

Long Term Loans - From Banks

Rupee Term Loan - State Bank of India 56,200,000 —
(Secured by first pari passu charge on entire fixed assets of Dahej unit)
(Total sanctioned Term Loan is ₹ 32.50 Crore which is repayable in 20 quarterly installments of ₹ 1.625 Crore each, starting from 31.03.2013)

B) Unsecured Loans

Long Term Loans - Others

Security Deposits from Customers 50,000 50,000
56,250,000 50,000

NOTE NO. - 2.4

DEFERRED TAX LIABILITIES (NET)

(Net Liability due to timing difference)

15,067,118 18,609,587

As per Accounting Standard AS-22 on Accounting for taxes on income, the Company had recorded the cumulative net deferred tax liability up to 31.03.2011 of ₹ 18,609,587/-. For the current year the Company has recorded the Cumulative Net Deferred Tax Liability of ₹15,067,118/- and the difference of ₹3,542,469/- has been charged to Statement of Profit and Loss.

Computation of Deferred Tax Liability/Assets

Difference in Tax and Book Depreciation -WDV	50,504,944	59,250,776
Less: Bonus Payable disallowed U/s 43 B	2,047,902	1,802,377
: Net disallowed Amalgamation expenses	571,425	—
: Leave Encashment Payable disallowed U/s 43 B	1,446,666	91,066
	46,438,951	57,357,333
Tax on above difference	15,067,118	18,609,587
Less: Deferred Tax Liability 31.03.2011	18,609,587	5,190,960
Deferred Tax (Assets)/Liability for the year	(3,542,469)	13,418,627



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	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE NO. - 2.5		
LONG TERM PROVISIONS		
For Employee Benefit (Leave Encashment)	<u>1,800,565</u>	—
Company has made provision for leave encashment as on 31.03.2012 on the basis of actuarial valuation, earlier it was accounted for on payment basis.		
Details of Employee Benefit		
<u>Provision for Leave Encashment</u>		
Current (Short Term)	126,767	
Non Current (Long Term)	<u>1,800,565</u>	
Total	<u>1,927,332</u>	
Out of the total provision of ₹ 1,927,332/-, a sum of ₹ 299,685/- pertaining to the Dahej unit, which is under construction, is capitalized during the year. Out of the balance of ₹ 1,627,647/-, ₹ 1,446,666/- added back for tax purposes U/s 43B of the Income Tax Act and the remaining balance of ₹ 180,981/- pertains to R&D and Grouped accordingly.		
<u>Retirement Benefits</u> : 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.		
NOTE NO. - 2.6		
SHORT TERM BORROWINGS		
A) Secured Loans		
<u>Short Term Loans - From Banks</u>		
*Packing Credit/Post Shipment loans	<u>148,325,942</u>	84,001,471
*Cash Credit Accounts	<u>98,000,975</u>	—
	<u>246,326,917</u>	84,001,471
(*Charge on Current and Non-Current Assets of factories)		
B) Unsecured Loans		
<u>Short Term Loans - Others</u>		
From Related Parties	<u>30,105,377</u>	560,000
Deposit/Inter Corporate Deposits	<u>58,312,170</u>	—
	<u>88,417,547</u>	560,000
	<u>334,744,464</u>	84,561,471
NOTE NO. - 2.7		
TRADE PAYABLES		
Trade Creditors	<u>79,568,936</u>	49,164,671
Advance received from Buyers/Customers	<u>135,946,891</u>	22,498,385
	<u>215,515,827</u>	71,663,056
NOTE NO. - 2.8		
OTHER CURRENT LIABILITIES		
Expenses Payable	<u>26,161,120</u>	22,972,453
Unclaimed Dividend	<u>775,824</u>	584,623
Statutory Liabilities	<u>2,846,817</u>	1,485,925
Other Payables against fixed assets & services etc.	<u>59,529,675</u>	—
	<u>89,313,436</u>	25,043,001
NOTE NO. - 2.9		
SHORT TERM PROVISIONS		
For Taxation	<u>1,795,063</u>	5,936,645
For Dividend Distribution Tax	<u>827,102</u>	827,102
For Dividend	<u>5,098,488</u>	5,098,488
For Leave Encashment	<u>126,767</u>	—
	<u>7,847,420</u>	11,862,235



**NOTE NO. - 2.10
FIXED ASSETS**

(in ₹)

Particulars	Gross Block (At Cost)			Depreciation			Net Block		
	As at 01.04.11	Additions during the year	Sales during the year	As at 31.03.12	For the Year	Upto 01.04.11	Upto 31.03.12	As at 31.03.12	As at 31.03.11
A Tangible Assets									
1 Land	87,143,492	-	2,788,840	84,354,652	-	-	-	84,354,652	86,584,679
2 Building	35,581,087	-	3,210,740	28,012,575	1,324,956	20,038,059	16,987,806	11,024,769	15,143,821
3 Plant & Machinery	273,381,683	12,373,699	32,709,027	206,848,280	46,198,075	182,821,432	149,812,272	57,036,008	90,952,816
4 Furniture & Fixtures	2,844,241	1,266,676	-	4,110,917	269,883	2,225,541	2,495,424	1,615,493	618,700
5 Office Equipments	3,161,124	146,929	280,000	2,919,565	108,488	1,716,177	1,721,619	1,197,946	1,396,239
6 Computer HW	6,799,637	511,789	75,000	6,813,980	422,446	5,842,300	5,841,902	972,078	1,006,045
7 Vehicles	2,856,326	1,481,203	113,000	3,683,620	540,909	1,778,623	1,602,156	2,081,464	1,077,703
8 R & D	3,628,506	1,928,432	-	5,556,938	521,378	1,090,828	1,612,206	3,944,732	2,537,678
Total - A	415,396,096	17,708,728	39,176,607	342,300,527	51,627,690	215,512,960	180,073,385	162,227,142	199,317,681
B Intangible Assets									
1 Computer Software	874,040	108,550	-	982,590	100,868	691,440	792,308	190,282	182,600
Total - B	874,040	108,550	-	982,590	100,868	691,440	792,308	190,282	182,600
C Capital Work-in-progress (Tangible)									
Capital-WIP	32,788,321	449,911,115	-	482,699,436	-	-	-	482,699,436	32,788,321
Total - C	32,788,321	449,911,115	-	482,699,436	-	-	-	482,699,436	32,788,321
Grand Total (A to C)	449,058,457	467,728,393	39,176,607	825,982,553	51,627,690	216,204,400	180,865,693	645,116,860	232,288,602
(Previous Year)	425,635,888	28,344,895	2,124,818	449,058,457	2,797,508	201,610,078	216,769,855	232,288,602	224,025,810

1. Land includes lease hold land leased by GIDC, Gujarat valued ₹ 67,211,160/- excluding ₹ 2,788,840/- received from GIDC Gujarat. Lease period starts from 11.08.2010 and is valid till 99 years.
2. Depreciation has been provided for on written down value method as per Schedule XIV of the Companies Act, 1956.
3. Amount of depreciation for the year shown above is inclusive of depreciation ₹ 443,796/- related to Dahej (Gujarat) Project, that has been capitalised (Previous year figure was ₹ 553,567/-).
4. Adjustment has been made in Fixed Assets to give effect of the Order of Income Tax Assessing Officer for the Assessment Year 2003-04 and accordingly previous year figure of Accumulated Depreciation is reduced by ₹ 565,455/- transferring the same to surplus in the Statement of Profit & Loss. Figures of Gross Block has also re-grouped accordingly.
5. Impairment of Assets (AS 28)
The Management periodically assess using, external and internal source, whether there is an indication that an assets may be impaired and Company foresee no such impairment indication as on the balance sheet date.



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	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE NO. - 2.11		
NON-CURRENT INVESTMENTS		
Long Term Investment		
Investment in unquoted Equity Instruments - at Cost		
a) 69930 Equity Shares of ₹10/- each Fully Paid Up of Pattancheru Enviro-Tech Ltd.	699,300	699,300
b) 1761 Equity Shares of ₹ 100/- each Fully Paid Up of Jeedimetla Effluent Treatment Ltd.	176,100	176,100
	<u>875,400</u>	<u>875,400</u>
NOTE NO. - 2.12		
LONG-TERM LOANS & ADVANCES		
Security Deposit (Unsecured, Considered Good)	<u>9,777,252</u>	<u>7,831,755</u>
NOTE NO. - 2.13		
CURRENT INVESTMENTS		
Investment in Tax Free Bond cum Interest		
6.85% Perpetual IIFCL (100 Bonds, Face Value ₹100000 each)	—	<u>10,240,000</u>
NOTE NO. - 2.14		
INVENTORIES		
Raw Material, Consumable & Packing	57,272,897	69,340,325
Work-in-Progress	67,577,593	37,522,196
Finished Goods	42,169,003	11,360,965
	<u>167,019,493</u>	<u>118,223,486</u>
NOTE NO. - 2.15		
TRADE RECEIVABLES		
Debtors outstanding for a period exceeding six months		
- Considered Good	352,461	634,570
Other Debtors		
- Considered Good	300,020,934	158,671,203
	<u>300,373,395</u>	<u>159,305,773</u>
Balances of Sundry Debtors, Advances to Suppliers and Creditors and Advances from Customers are subject to confirmation.		
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment disclosed separately. Calculation of such debts in the preceding year was from the billing date.		
NOTE NO. - 2.16		
CASH & CASH EQUIVALENTS		
Cash in Hand	721,333	1,066,489
Balance with Scheduled Banks		
- In Current Accounts	8,427,895	2,752,498
- In Margin Money Accounts/ Fixed Deposit Accounts	6,159,248	6,534,497
	<u>14,587,143</u>	<u>9,286,995</u>
Balance with Other Banks		
- Dividend Accounts	775,824	584,623
	<u>16,084,300</u>	<u>10,938,107</u>



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	As at 31.03.2012 (₹)	As at 31.03.2011 (₹)
NOTE NO. - 2.17		
SHORT-TERM LOANS & ADVANCES		
Unsecured Advances		
Service Tax, VAT & Income Tax	16,310,998	20,370,027
Export Incentives Receivables	15,105,709	26,968,128
Central Excise and Custom Duties	27,177,740	8,959,650
Inter Corporate Deposits	—	141,044
Prepaid Expenses	2,766,746	770,092
Advances for Fixed Assets (Capital WIP)	17,855,196	—
Other Advances	22,977,522	40,249,541
	<u>102,193,911</u>	<u>97,458,482</u>
NOTE NO. - 2.18		
OTHER CURRENT ASSETS		
Engineering Spares & other Stores	8,343,770	10,574,072
R & D Stocks	106,533	726,440
Other (Misc. Expenses)	—	674,928
	<u>8,450,303</u>	<u>11,975,440</u>
	Year ended 31.03.2012 (₹)	Year ended 31.03.2011 (₹)
NOTE NO. - 2.19		
REVENUE FROM OPERATIONS		
Sales/Income from operation		
Gross Sales	1,511,825,114	975,238,336
Less : Excise Duty	110,714,711	65,238,770
Net Sales	1,401,110,403	909,999,566
Job Work Income	953,407	1,402,063,810
Other Operating Income		9,234,100
Export Incentives	11,999,972	18,833,897
Insurance Claim on Transit Losses	15,954	12,015,926
	<u>1,414,079,736</u>	<u>938,113,307</u>
NOTE NO. - 2.20		
OTHER INCOME		
Rental Charges of Cylinders	24,000	54,000
Interest Received on Investments	244,199	1,993,165
Income from Dividend / Mutual Funds	72,906	276,394
Loss on Investments	(420,000)	(453,732)
Bad Debts Recovered	623,210	783,292
Other Income	—	22,923
Profit on Sale of Fixed Assets	326,938	735,995
Interest received		
- from FDR	607,770	632,353
- from Trade Debtors & Others	—	607,770
	<u>1,479,023</u>	<u>4,059,770</u>



	Year ended 31.03.2012 (₹)	Year ended 31.03.2011 (₹)
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NOTE NO. - 2.21

COST OF MATERIALS CONSUMED

Raw Material (RM) Consumed

Opening Stock-RM, Consumables & others	69,340,325	75,294,375	
Purchases -RM, Consumables, Fuels & others	983,625,364	1,052,965,689	533,643,530
Less : Closing Stock- RM, Consumables & others	57,272,897		69,340,325
	<u>995,692,792</u>		<u>539,597,580</u>

Cost of goods consumed/sold includes cost of raw materials, consumable stores, fuels/oils, packing materials & utilities.

NOTE NO. - 2.22

**CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Opening Stock

Finished Goods	11,360,965	47,090,003	
Stock - in- Process	37,522,196	55,208,275	
	<u>48,883,161</u>		102,298,278

Less : Closing Stock

Finished Goods	42,169,003	11,360,965	
Stock - in- Process	67,577,593	37,522,196	
	<u>109,746,596</u>		48,883,161
(Increase)/Decrease in Stock	<u>(60,863,435)</u>		<u>53,415,117</u>

NOTE NO. - 2.23

EMPLOYEES BENEFIT EXPENSE

Salary, Wages & Bonus	64,279,291	61,203,706
Provision for Leave Encashment	1,446,666	—
Directors' Remuneration	15,241,240	8,889,976
Diwali Expenses	660,148	303,507
Premium for Group Gratuity	1,918,980	750,639
Employer's contribution to Provident Fund & ESI	2,928,276	2,715,082
Staff and Labour Welfare Expenses	995,228	1,764,447
Staff Bus Expenses	1,834,539	2,563,062
Workers Safety Expenses	316,437	323,391
	<u>89,620,805</u>	<u>78,513,810</u>

NOTE NO. - 2.24

FINANCIAL COSTS

Interest on Working Capital Loan	2,443,826	567,820
Interest on Other Loans	144,679	—
	<u>2,588,505</u>	<u>567,820</u>

The manufacturing unit at Dahej (Gujarat) of Company is under construction, plant & machinery and equipments are under procurement and installation. The Borrowing cost of ₹1,43,57,156/- relating to acquisition/construction of qualifying assets has been capitalised during the year. All other borrowing costs are charged to statement of profit and loss. The total Capital WIP of Dahej Unit includes accumulated borrowing cost of ₹ 37,347,964/- upto 31.03.2012.



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	Year ended 31.03.2012 (₹)	Year ended 31.03.2011 (₹)
NOTE NO. - 2.25		
OTHER EXPENSES		
Manufacturing Expenses		
Freight & Cartage Inward	16,260,276	11,991,629
Power & Electricity	29,663,424	28,005,554
Testing Expenses	1,264,655	6,329,400
Machinery Repairs & Maintenance	38,169,435	16,277,509
Factory Maintenance	21,711,279	7,151,713
Laboratory Expenses	1,044,731	1,334,991
Job Work Expenses	2,386,800	4,360,591
R & D Expenses*	4,929,893	4,119,909
ETP Expenses	34,676,754	15,546,624
	150,107,247	95,117,920
Administrative, Operative & Selling Expenses		
Advertisement & Publicity	16,285,218	15,708,119
AGM expenses	18,000	14,175
Payment to Auditors	662,900	466,000
Bad Debts written off	141,044	—
Bank Charges	2,623,217	2,166,564
Building Repairs & Maintenance	1,517,208	1,611,419
Business Promotion Expenses	5,294,180	4,085,404
Clearing, Forwarding & Freight	7,219,506	11,422,585
Commission paid	2,524,547	5,714,925
Computer Expenses	219,810	255,175
Conveyance Expenses	1,154,881	972,956
Electricity & Water Charges	348,430	313,097
Filing Fees	10,500	9,482
General / Misc. Expenses	270,389	204,012
Hire Charges	1,417,484	1,062,628
Insurance Charges	2,007,268	2,864,903
Legal & Professional Fee	18,332,683	10,072,851
Listing Fee	24,618	15,000
Membership Fee & Subscription	600,426	634,661
Office Expenses	940,347	790,774
Postage, Telegram & Telephone expenses	1,470,528	1,219,473
Printing & Stationery	487,916	354,424
Rates & Taxes	786,284	1,224,013
Rebates	408,571	1,896,498
Rent paid	296,400	164,130
Security Expenses	1,974,014	2,696,706
Service Tax Paid	23,603	16,434
Exchange Difference (Net)	7,723,827	(1,873,132)
Tour & Travelling Expenses	2,307,569	2,087,791
Vehicle Running & Maintenance	380,588	380,022
	77,471,956	66,551,089
	227,579,203	161,669,009



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***Note: R&D Expenses**- The Company is registered as Research & Development Unit (R&D) with 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 ₹68,58,325/- (Revenue Expense of ₹49,29,893/- and Capital Expenditure of ₹19,28,432/-) are eligible for weighted deduction under Section 35(2AB) of the Income Tax Act, 1961.

	Year ended 31.03.2012 (₹)	Year ended 31.03.2011 (₹)
--	---------------------------------	---------------------------------

NOTE NO. - 2.26

EXCEPTIONAL ITEMS

Amalgamation expenses written off	756,464	168,732
Contribution for Research activities U/s 35(1)(ii)	21,750,000	—
Donations	8,015,100	5,250,700
Insurance Claim on fixed assets	—	(37,007,998)
Insurance Claim on Stocks*	(26,246,535)	—
	4,275,029	(31,588,566)

*Insurance Claim towards loss of stock due to fire

Company received a sum of ₹2,62,46,535/- during the year towards insurance claim against loss of stocks in fire at its factory at Hyderabad during the financial year 2007-08. As the loss was booked as an expenditure in Profit & Loss Account in the financial year 2007-08, claim against it is credited to the Statement of Profit & Loss for the year under the head "Exceptional Items".

NOTE NO. - 2.27

DETAILS OF PAYMENT TO AUDITORS

To Statutory Auditors

As Statutory Audit	220,000	150,000		
As Advisory services	150,000	370,000	121,000	271,000
To Other Auditors		292,900		195,000
		662,900		466,000

2.28 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR IN RESPECT OF :

	As at 31.03.2012 (₹ in Lacs)
i) Guarantees given to Addl. Excise & Taxation Commissioner, Panchkula	5.70
ii) Surety given to Dy. Excise & Taxation Commissioner (S.T. Rohtak)	8.16
iii) 1. In respect of certain disallowances confirmed by Hon'ble Delhi High Court in the case of the Company for Asstt. Year 1997-98 to 2001-02, the demand has not yet ascertained and hence not taken into account.	
2. In respect of the erstwhile amalgamating company Siris Crop Sciences Limited, following are the disputed/contingent liabilities:	

Asstt Year	Amount of Tax involved	Remarks
2008-09	₹2,013,768/-	As the loss was assessed at ₹49,248,581/- against loss of ₹55,173,170/- as per return, demand for the year is Nil. The disallowances are under appeal before CIT (A). Penalty proceedings have been initiated by AO which may result in contingent liability. The decrease in assessed loss may result in decrease eligible for set off brought forward losses and result in ultimate liability.



2.29 As the Hon'ble Punjab & Haryana High Court struck down the constitutional validity of Haryana Local Area Development Tax (LADT) imposed by the Haryana Govt., the Company has applied for refund of LADT deposited in the earlier years. However, matter is subjudice.

2.30 Out of the total MAT Credit available ₹ 14,834,871/-, a sum of ₹ 14,527,033/- is utilized during the current year and accordingly the same is adjusted into the provision for income tax liability in Balance Sheet.

2.31 RELATED PARTY TRANSACTIONS

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

a) Key Management Personnel & their Relatives

i) Shri S.N.Gupta	Chairman & Managing Director
ii) Shri M.P.Gupta	Whole Time Director
iii) Shri R.P.Gupta	Whole Time Director
iv) Shri Ajay Gupta	Executive Director
v) Dr V. K. Sharma	Executive Director
vi) Smt. Sweety Gupta	Wife of Shri S.N. Gupta
vii) Shri Dinesh Gupta	Son of Shri S.N. Gupta

b) Related Entities

i) Bharat Insecticides Limited	ii) B R Agrotech Limited
iii) BRL Finlease Limited	iv) Centum Finance Limited
v) Synochem Organics Pvt. Limited	

c) Transactions with Related Parties

(in ₹)

Name of Related Party	Nature of Transactions	Amount Credited/Paid*	
		Year ended 31.03.12	Year ended 31.03.11
Shri S.N.Gupta	Managerial Remunerations paid	7,005,628	3,954,874
	Loan taken	50,015,000	—
	Loan repaid	36,550,000	—
	Interest on loan	1,318,649	—
Shri M.P.Gupta	Managerial Remunerations	3,192,956	1,802,448
	Loan taken	27,000,000	—
	Loan repaid	11,900,000	—
	Interest on loan	392,881	—
Shri R.P.Gupta	Managerial Remunerations	2,556,861	1,442,151
Shri Ajay Gupta	Managerial Remunerations	1,800,228	1,690,503
Shri V.K.Sharma	Managerial Remunerations	685,567	—
BR Agrotech Limited	Sales	67,295,626	95,730,294
	ICD received	85,000,000	66,500,000
	ICD repaid	85,000,000	115,340,000
	Interest paid on ICD	3,744,425	3,603,038
	Advance received against sale	61,265,503	—
	Machinery purchased	—	299,456
	Shares purchased of		
	Siris Crop Sciences Limited (SIRIS)	—	60,588,000



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(in ₹)

Name of Related Party	Nature of Transactions	Amount Credited/Paid*	
		Year ended 31.03.12	Year ended 31.03.11
Bharat Insecticides Limited	Material purchased	15,046,122	18,120,912
	Rent paid	245,400	131,580
	Sales	113,361,526	92,009,708
	Advance received against sale	62,452,739	—
	Shares purchased of SIRIS	—	60,588,000
	Machinery sold	—	1,898,808
	ICD received	—	115,000,000
	ICD repaid	—	150,690,849
	Interest paid on ICD	—	2,767,488
BRL Finlease Limited	ICD received	19,500,000	175,000
	ICD repaid	19,500,000	175,000
	Interest paid on ICD	2,332,606	9,062
Centum Finance Limited	ICD received	37,200,000	2,725,000
	ICD repaid	37,200,000	2,725,000
	Interest paid on ICD	1,130,718	241,878
Synochem Organics Pvt. Ltd.	Sales	—	244,564
Smt. Sweety Gupta	Loan received	8,750,000	—
	Loan repaid	1,435,000	—
	Fixed Deposits received	—	560,000
	Fixed Deposits repaid	560,000	—
	Interest paid on Loan	300,953	—
Shri Dinesh Gupta	Fixed Deposits received	300,000	—
	Fixed Deposits repaid	300,000	—

Details of outstanding balances as at March 31, 2012 and March 31, 2011

(in ₹)

Name of Related Party	Year ended 31.03.12	Year ended 31.03.11
Shri S.N.Gupta	14,651,784	—
Shri M.P.Gupta	15,453,593	—
Smt. Sweety Gupta	—	560,000
BR Agrotech Limited	61,219,506	9,599
Bharat Insecticides Limited	61,737,624	34,281

Note : Related Party Transactions are as identified by the Company and relied upon by the Auditors.

2.32 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 ₹23.14 (Last Year ₹13.86).

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BharatRASAYAN LIMITED

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

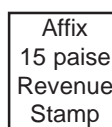
PROXY FORM

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 23rd Annual General Meeting of the Company to be held on Saturday, September 29, 2012, or at any adjournment thereof.

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

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

Signed this.....day of2012.



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 dematerialized mode.

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

BharatRASAYAN LIMITED

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

ATTENDANCE SLIP

Name of the shareholder(s) :
(IN BLOCK LETTERS)

Registered Folio No. :

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

I/We hereby record my/our presence at the 23rd Annual General Meeting on Saturday, September 29, 2012 at 10.30 A.M. at Satyam Banquets, 6, Bhera Enclave, Paschim Vihar, Outer Ring Road, New Delhi-110087. I/We certify that I/we am/are 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 dematerialized 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.