



# **Bharat RASAYAN LIMITED**

*( ISO 9001 : 2008, 14001 : 2004 & OHSAS 18001 : 2007 CERTIFIED COMPANY )*



**25<sup>TH</sup> ANNUAL REPORT  
2013-2014**



**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**

**V.K. SHARMA** Director (Executive)  
**PANKAJ GUPTA** Director (Independent & Non-Executive)  
**RAM KANWAR** Director (Independent & Non-Executive)  
**AMIT GUPTA** Director (Independent & Non-Executive)  
**SUJATA AGARWAL** Additional Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

**SONALI SINGH**

**CHIEF FINANCIAL OFFICER**

**RAKESH KUMAR VERMA**

**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 - HDFC BANK LIMITED**  
**- 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,  
Distt. Rohtak - 124 022 (Haryana).  
**Unit-II** 42/4, Amod Road, GIDC, Industrial Estate, Dahej,  
Distt. Bharuch - 392 130 (Gujarat)

**REGISTRAR & SHARE TRANSFER AGENT**

**M/S. LINK INTIME INDIA PVT. LIMITED**  
44, Community Centre, 2nd Floor, Naraina Industrial Area,  
Phase-I, Near PVR, Naraina, 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

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## **NOTICE**

Notice is hereby given that twenty-fifth Annual General Meeting of the Company will be held on Monday, the 29th day of September, 2014, at 12:30 P.M. at Hotel Regent Grand, 2/6, East Patel Nagar, New Delhi - 110008, to transact the following business:

### **ORDINARY BUSINESS**

#### **Item No.1: Adoption of Accounts**

To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditor's thereon.

#### **Item No. 2: Declaration of Dividend**

To declare a final dividend of ₹1/- per equity share for the year ended on 31st March, 2014.

#### **Item No. 3: Re-appointment of Director**

To appoint a Director in place of Shri V.K. Sharma (DIN No. 05106079), who retires by rotation and being eligible, seeks re-appointment.

#### **Item No. 4: Appointment of Auditors**

To appoint Statutory Auditors of the Company for holding the office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting and to fix their remuneration and in this connection 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 139 of the Companies Act, 2013 read with The Companies (Audit & Auditors) Rules, 2014, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. B.K. Goel & Associates, Chartered Accountants (Firm Registration No. 016642N), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the fourth consecutive Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting held after this meeting."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the auditors."

### **SPECIAL BUSINESS**

#### **Item No.5: Appointment of Mrs. Sujata Agarwal as an Independent Director**

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 Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, Mrs. Sujata Agarwal (DIN No. 06958738) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13.08.2014 and who holds the office until the date of the Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member, proposing her candidature for the office of a Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 01.09.2014."



**Item No. 6: Appointment of Shri Amit Gupta as an Independent Director**

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 Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule-IV of the Companies Act, 2013, Shri Amit Gupta (DIN No. 05166212), Director of the Company who retires by rotation be and is hereby re-appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st July, 2014."

**Item No. 7: Appointment of Shri Ram Kanwar as an Independent Director**

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 Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule-IV of the Companies Act, 2013, Shri Ram Kanwar (DIN No.02277237), Director of the Company who retires by rotation be and is hereby re-appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st July, 2014."

**Item No. 8: Appointment of Shri Pankaj Gupta as an Independent Director**

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 Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule-IV of the Companies Act, 2013, Shri Pankaj Gupta (DIN No. 01913719), Director of the Company who retires by rotation be and is hereby re-appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st July, 2014."

**Item No. 9: Contribution to Charitable & other funds under Section 181 of the Companies Act, 2013**

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 181 & other applicable provisions, if any, of the Companies Act, 2013, consent of the members be and is hereby accorded to the Board of Directors (including Committee of Directors and such other Committee as may formed thereof) to contribute to bonafide charitable and other funds, any amounts the aggregate of which, may exceed five percent of its average net profits for the three immediately preceding financial years, subject to a limit of ₹5,00,00,000 (Rupees Five Crores only)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized 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."

**Item No.10: Amendment in Articles of Association of the Company**

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

**"RESOLVED THAT** subject to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, the following provision shall be added to the existing Article No. 69 of the Articles of Association:



69(A) *The Chairman be permitted holding the position of both the Chairman of the General Meeting as well as Managing Director/CEO/equivalent position thereof in the Company as per the recommendations of the Nomination & Remuneration Committee and approved by the Board of Directors and as permitted by applicable laws from time to time.*

**Item No. 11: Re-appointment of Shri S.N.Gupta as Chairman and Managing Director of the Company**

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

**"RESOLVED THAT** pursuant to Article No. 116 of the Articles of Association of the Company and pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including Schedule-V of the said Act, approval of the members be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri S.N. Gupta (DIN No. 00024660) as a Chairman and Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 2014 to 31st March, 2019 at a monthly basic salary of ₹1,75,000/- (Rupees One Lakh Seventy Five Thousands only) along with various perquisites on the terms and conditions as approved by the shareholders of the Company in their Annual General Meeting held on 25.09.2009."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also deemed to include the Nomination & Remuneration Committee constituted by the Board) be and is hereby authorized to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Schedule V or any other provisions of Companies Act, 2013, and/or any Statutory modification(s) thereof and provided further that such revised remuneration, perquisites and benefits & amenities are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board."

**Item No.12: Re-appointment of Shri M.P.Gupta as Whole-Time Director of the Company**

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

**"RESOLVED THAT** pursuant to Article No. 116 of the Articles of Association of the Company and pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including Schedule-V of the said Act, approval of the members be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri M.P.Gupta (DIN No. 00014681) as a Whole Time Director of the Company for a further period of 5 years w.e.f. 1st April, 2014 to 31st March, 2019 at a monthly basic salary of ₹78,125/- (Rupees Seventy Eight Thousand One Hundred Twenty Five only) along with various perquisites on the terms and conditions as approved by the shareholders of the Company in their Annual General Meeting held on 25.09.2009."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also deemed to include the Nomination & Remuneration Committee constituted by the Board) be and is hereby authorized to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Schedule-V or any other provisions of Companies Act, 2013, and/or any Statutory modification(s) thereof and provided further that such revised remuneration, perquisites and benefits & amenities are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/re-fixation by the Board."





**Item No. 13: Re-appointment of Shri R.P.Gupta as Whole-Time Director of the Company**

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

**"RESOLVED THAT** pursuant to Article No. 116 of the Articles of Association of the Company and pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including Schedule-V of the said Act, approval of the members be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri R.P.Gupta (DIN No. 00048888) as a Whole Time Director of the Company for a further period of 5 years w.e.f. 1st April, 2014 to 31st March, 2019 at a monthly basic salary of ₹62,500/- (Rupees Sixty Two Thousand Five Hundred only) per month along with various perquisites on the terms and conditions as approved by the shareholders of the Company in their Annual General Meeting held on 25.09.2009."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also deemed to include the Nomination & Remuneration Committee constituted by the Board) be and is hereby authorized to revise and/or re-fix the said remuneration and/or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Schedule-V or any other provisions of Companies Act, 2013, and/or any Statutory modification(s) thereof and provided further that such revised remuneration, perquisites and benefits & amenities are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board."

**Item No. 14: Re-appointment of Shri V. K. Sharma as Executive Director of the Company**

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

**"RESOLVED THAT** pursuant to Article No. 116 of the Articles of Association of the Company and pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including Schedule-V of the said Act, approval of the members be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri V.K.Sharma (DIN No.05106079 ) as a Whole-Time Director of the Company designated as "Executive Director" with effect from 24th October, 2013 up to 31st May, 2015 at a monthly remuneration (inclusive of Basic Salary, House Rent Allowance, Transport Allowance, Special Allowance) of ₹1,57,764/- (Rupees One Lakh Fifty Seven Thousand Seven Hundred Sixty Four only) and in addition to the said remuneration, he will also be entitled to various perquisites, incentives & allowances as recommended by the Board of Directors of the Company in its meeting held on 30th May, 2013."

**"RESOLVED FURTHER THAT** in addition to above remuneration, Shri V.K.Sharma will also be entitled to various perquisites, allowances and incentives which are governed by following norms:

- (i) Perquisites in the nature of Reimbursement of Medical Expenses, Books & Periodicals, Petrol and Driver's Salary/Helper Allowance subject to the maximum of ₹12,250/- per month.
- (ii) The aggregate amount of Performance Incentives & others, if any, provided by the Company shall be valued as per Income Tax Act, 1961 and Rules framed thereunder and shall be restricted to ₹12,000/- per month.
- (iii) Contribution to Employees Provident Fund (EPF) and Gratuity Fund or Superannuation 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.
- (iv) Encashment of unavailed leaves as per the rules of the Company, at the end of the tenure will not be included in the computation of the ceiling on perquisites.



- (v) 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.
- (vi) The Company may provide Mobile and Telephone facility at residence of Shri V.K.Sharma. However, personal long distance calls, if any, shall be billed by the Company and paid by him.
- (vii) The Premium for a Floater Family Mediciam Policy and Group Accident Policy shall not exceed ₹10,000/- per annum.

**Item No.15: Revision in remuneration of Shri V.K. Sharma, Executive Director of the Company**

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

**"RESOLVED THAT** pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including Schedule-V of the said Act, approval of the members be and is hereby accorded to the enhancement of remuneration and benefits and amenities paid to Shri V.K. Sharma (DIN No.05106079), the Whole-time Director of the Company designated as "Executive Director" in the manner as detailed in the Explanatory Statement with effect from 01.06.2014."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also be deemed to include the Nomination & Remuneration Committee and/or any other Sub-Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/or other perquisites, benefits and amenities provided that the so revised/re-fixed remuneration and/or perquisites etc. do not exceed the limits prescribed from time to time under Schedule-V or any other provisions of the Companies Act, 2013, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/revision/re-fixation by the Board."

**Item No.16: Enhancement of Borrowing Powers**

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

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof), the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board") for borrowing any sum or sums of money from time to time from anyone or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate, banks or financial institutions, whether in India or abroad and whether unsecured or secured by creating a mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable or of stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit), sundry debtors and work-in-progress and all or any of the undertaking of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed a sum of ₹500 Crores (Rupees Five Hundred Crores only) and the Board of Directors (including any Committee(s) thereof) are hereby authorised to execute such deeds and documents relating to debenture trust, mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and any other deeds and instruments or writings containing such conditions and covenants as the Directors may deem fit."



**Item No. 17: Creation of Charge**

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

**"RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors (hereinafter referred to as "the Board") to mortgage and/or charge such immovable and movable properties of the Company in addition to the existing mortgage charges and hypothecations created by the Company on the assets of the Company, both present and future and wheresoever situated, as deemed fit by them from time to time in favour of banks, financial institutions, other investing agencies and trustees for the holders of securities to securing the credit facilities including term loan, working capital loan or loan in any other form etc. provided that the total amount of credit facilities shall not, at any time exceed ₹500 Crores (Rupees Five Hundred Crores only) and the Board of Directors (including any Committee(s) thereof) are hereby authorized to execute such deeds and documents, instruments or writings containing such conditions and covenants as the Directors may deem fit."

**Regd. Office**

**1501, Vikram Tower  
Rajendra Place  
New Delhi-110008  
August 13, 2014**

By order of the Board of Directors  
**For Bharat Rasayan Limited**

**Sd/-  
Sonali Singh  
Company Secretary**

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of matters covered pursuant "Special Business" is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend the meeting and vote on a poll, if any, instead of himself/herself and the proxy need not be a member of the Company. Proxy form duly filled must reach the registered office of the Company not less than forty-eight hours before the meeting. A blank proxy form is annexed to this notice.**
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a Certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed on the Book Closure Dates, i.e., from 22nd September, 2014 to 29th September, 2014 (both days inclusive). The dividend as recommended by the Board of Directors, if approved at the meeting, will be paid to those members whose names appear in the Register of Members or in the records of the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners of the shares as at the end of business hours on 20th September, 2014.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. While members holding shares in physical form may write to the Company's Registrar and Share Transfer Agent i.e. M/s. Link Intime India Pvt. Limited, for changes, if any, in their address and bank mandates, members having shares in electronic form may inform such changes directly to their depository participant immediately so as to enable the Company to dispatch dividend warrant(s) at their correct address(es).





7. For convenience of Members, an attendance slip is annexed to the proxy form. Members/ Proxies are requested to affix their signatures at the space provided therein and thereafter hand over the attendance slip at the venue of the meeting. The Proxy of a Member should mark on the attendance slip as "Proxy".
8. 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.
9. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
10. Members who are holding physical shares 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 the details 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.
11. Members still holding physical shares are requested to send their Permanent Account Number (PAN) details while lodging their requests to the Company/Share Registrars for transfer of their said physical shares, failing which the transfer requests shall be rejected and the submitted transfer documents will be returned to the Lodger/Buyer.
12. Shareholders who have not encashed/received dividend/s declared and paid by the Company for different financial years commencing from financial year 2007-08 may please approach the Company for payment of such unpaid dividend/s, failing which their unclaimed dividend/s shall be transferred to Investor Education Protection Fund in accordance with provisions contained in Section 205C of Companies Act, 1956.
13. Details under Clause 49 of the Listing Agreement entered into with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto.
14. Electronic copy of the Annual Report for the financial year 2013-14 is being sent to the members whose email IDs are registered with the Company/ Depository Participants (s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent.
15. **Voting through Electronic Means**  
The complete details of the instructions for e-voting are annexed to this notice. These details form an integral part of the Notice.

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### **EXPLANATORY STATEMENT**

*(In Compliance of Section 102 of the Companies Act, 2013)*

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#### **Item No. 5: Appointment of Mrs. Sujata Agarwal as an Independent Director**

The Board of Directors in its meeting held on 13.08.2014 appointed Mrs. Sujata Agarwal (DIN No. 06958738) as an Additional Director w.e.f. 01.09.2014 pursuant to the provisions of Section 161 of the Companies Act, 2013, read with Article 89 of the Articles of Association of the Company.

In accordance with the aforesaid applicable provisions of the Companies Act, 2013, Mrs. Sujata Agarwal will hold the office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹1,00,000/- proposing the candidature of Mrs. Sujata Agarwal for the office of Independent Director to be appointed as such, under the provisions of Section 149 of the Companies Act, 2013.

The Company has received requisite disclosure and consent from Mrs. Sujata Agarwal in compliance of the requirements of Sections 149 and 164 read with Companies (Appointment & Qualifications of Directors) Rules, 2014.



It is therefore proposed to appoint Mrs. Sujata Agarwal as an Independent Director on the Board of the Company for a term up to five consecutive years commencing from 01.09.2014.

The Board of Directors recommends the Resolution for shareholders' approval at Item No. 5.

No Director, Key Managerial Person (KMP) and relative of any Director or KMP is in any way concerned or interested in the resolution.

**Item Nos. 6-8: Appointment of Shri Amit Gupta, Shri Ram Kanwar and Shri Pankaj Gupta as Independent Directors**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Shri Amit Gupta, Shri Ram Kanwar and Shri Pankaj Gupta were appointed/ re-appointed as 'Independent Directors' by the Members of the Company in their various annual general meetings held on different dates.

As per the provisions of Companies Act, 2013, which has come into effect from April 1, 2014, the Independent Directors shall be appointed for not more than 2 terms of five years each and they shall not be liable to retire by rotation at every Annual General Meeting.

In order to comply with the said requirement of the Act it is therefore proposed to appoint Shri Amit Gupta, Shri Ram Kanwar and Shri Pankaj Gupta as Independent Directors on the Board of the Company for a term up to five consecutive years commencing from 1st July, 2014.

The Board of Directors recommends the resolutions for shareholders' approval at Item Nos. 6 to 8.

No Director, Key Managerial Person (KMP) and relative of any Director or KMP except Shri Amit Gupta, Shri Ram Kanwar and Shri Pankaj Gupta Independent & Non-Executive Directors is in any way concerned or interested in the said resolutions.

**Item No. 9: Contribution to charitable & other funds under Section 181 of the Companies Act, 2013**

Pursuant to the provisions of Section 181 of the Companies Act, 2013, the Board of Directors of the Company is authorized to make contributions to charitable and other funds, provided that prior permission of the Members is sought for such contributions during a financial year exceeding five percent of its average net profits during the three immediately preceding financial years.

It is, therefore, proposed to obtain approval of members authorizing the Board of Directors to contribute to any bonafide charitable, social, religious and other funds an amount exceeding 5% of its average net profits for the three immediately preceding financial years but not exceeding a sum of ₹5,00,00,000/- (Rupees Five Crores only) in one or more tranches during the year as may be considered suitable by the Board of Directors.

The Board of Directors recommends the resolution for shareholders' approval at Item No. 9.

No Director, Key Managerial Person (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.

**Item No. 10: Amendment in Articles of Association of the Company**

The Articles of Association of the Company does not contain a provision that the position of Chairman may be held by Managing Director. To enable such a provision as required under Section 203 of the Companies Act, 2013, it is proposed to amend the Article No. 69 of the Articles of Association.

The proposed amendment in the Articles of Association of the Company requires the approval of the members in the General Meeting. The Board recommends the passing of the resolution as set out in Item 10 as a Special Resolution.

The Board of Directors recommends the resolution for shareholders' approval at Item No. 10.

No Director, Key Managerial Person (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.



**Item No. 11: Re-appointment of Shri S.N. Gupta as Chairman and Managing Director of the Company**

Shri S.N.Gupta has been working as Chairman and Managing Director of the Company for last many years. The present term of Shri S.N.Gupta expired on 31st March, 2014. Keeping in view the enormous progress that the Company has made in last many years under the leadership and guidance of Shri S.N.Gupta, the Board of Directors of the Company in its meeting held on 14th February, 2014 accorded its approval for re-appointment of Shri S.N.Gupta for a further period of five years with effect from 1st April, 2014 on the same terms and conditions which were in existence before the expiry of his term subject to a confirmation by the shareholders of the Company.

The existing principle terms and conditions of Shri S.N.Gupta's re-appointment are as follows:

Period of Agreement - from 01.04.2014 to 31.03.2019

**(A) BASIC SALARY**

₹1,75,000/- (Rupees One Lakh Seventy Five Thousands only).

with authority to the Board to re-fix his salary from time to time within the Agreement period, keeping into view his performance and the ceilings, if any, fixed by statute.

**(B) COMMISSION**

Profit based Commission payable @55% of eligible profit computed in the manner laid down under Section 198, subject to the ceiling laid down under Section 197 of the Companies Act, 2013, and Schedule-V thereto.

**(C) PERQUISITES**

In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary. For this purpose, perquisites are classified into three categories, "A", "B" and "C" as follows:

**Category-A**

**1. Housing**

In case the hired accommodation is provided by the Company, the expenditure by the Company on hiring unfurnished accommodation for him will be subject to the ceiling of sixty percent of his salary over and above ten percent payable by him.

**2. Personal Accident Insurance**

Premium not to exceed ₹10,000/- per annum.

The aggregate monetary value of the above perquisites shall not exceed his annual salary.

**Explanation:** For the purpose of Category-A family means his spouse, his dependent children and dependent parents.

**Category-B**

Contribution to Superannuation Fund or Annuity Fund, as per Company's rules, 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's salary for each completed year of service.

**Category-C**

The Company shall provide car with driver and mobile/telephone at his residence. Provision of car for use on Company's business and mobile/telephone at residence will not be considered as perquisites. Personal long distance calls on mobile/telephone and use of car for private purpose shall be billed by the Company and paid by him."

The Board of Directors recommends the resolution for shareholders' approval at Item No. 11.

Except Shri S.N. Gupta, no other Director, Key Managerial Personnel (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.



**Item No. 12: Re-appointment of Shri M.P.Gupta as Whole Time Director of the Company**

Shri M.P.Gupta has been working as a Whole-time Director of the Company since last many years. As Shri Gupta's term of five years expired on 31st March, 2014, the Board of Directors of the Company in its meeting held on 14th February, 2014, reappointed him for a further period of five years with effect from 1st April, 2014, on the same terms and conditions which were in existence before the expiry of his term, subject to the consent of the shareholders in the general meeting.

The principal terms and conditions of Shri. M.P.Gupta's re-appointment are as follows:

Period of Agreement - from 01.04.2014 to 31.03.2019

**(A) MONTHLY BASIC SALARY**

₹78,125/- (Rupees Seventy Eight Thousand One Hundred Twenty Five only) per month.

**(B) COMMISSION**

Profit based Commission payable @25% of eligible profit computed in the manner laid down under Section 198, subject to the ceiling laid down under Section 197 of the Companies Act, 2013 and Schedule-V thereto.

**(C) PERQUISITES**

In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary. For this purpose, perquisites are classified into three categories, "A", "B" and "C" as follows:

**Category-A**

**1. Housing**

He shall be entitled to House Rent Allowance @60% of his basic salary amounting to ₹46,875/- (Rupees Forty Six Thousand Eight Hundred Seventy Five only) per month.

**2. Personal Accident Insurance**

Premium not to exceed ₹10,000/- per annum.

The aggregate monetary value of the above perquisites shall not exceed his annual salary.

**Explanation:** For the purpose of Category-A family means his spouse, his dependent children and dependent parents.

**Category-B**

Contribution to Superannuation Fund or Annuity Fund, as per Company's rules, 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's salary for each completed year of service.

**Category-C**

The Company shall provide car with driver and mobile/telephone at his residence. Provision of car for use on Company's business and mobile/telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company and paid by him."

The Board of Directors recommends the resolution for shareholders' approval at Item No. 12.

Except Shri M. P. Gupta, no other Director, Key Managerial Personnel (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.

**Item No. 13: Re-appointment of Shri R.P. Gupta as Whole Time Director of the Company**

Shri R.P.Gupta has been working as a Whole-time Director of the Company since last many years. As Shri Gupta's term of five years expired on 31st March, 2014, the Board of Directors of the Company in its meeting held on 14th February, 2014 reappointed him for a further period of five years with effect from 1st April, 2014, on the same terms and conditions which were in existence before expiry of his term, subject to the consent of the shareholders in the general meeting.



The principal terms and conditions of Shri R.P.Gupta's re-appointment are as follows:

Period of Agreement - from 01.04.2014 to 31.03.2019

**(A) MONTHLY BASIC SALARY**

₹62,500/- (Rupees Sixty Two Thousand Five Hundred only) per month.

**(B) COMMISSION**

Profit based Commission payable @20% of eligible profit computed in the manner laid down under Section 198, subject to the ceiling laid down under Section 197 of the Companies Act, 2013 and Schedule-V thereto.

**(C) PERQUISITES**

In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary. For this purpose, perquisites are classified into three categories, "A", "B" and "C" as follows:

**Category-A**

**1. Housing**

He shall be entitled to house rent allowance @ 60% of his basic salary, amounting to ₹37,500/- (Rupees Thirty Seven Thousand Five Hundred only).

**2. Personal Accident Insurance**

Premium not to exceed ₹10,000/- per annum.

The aggregate monetary value of the above perquisites shall not exceed his annual salary.

**Explanation:** For the purpose of Category-A family means his spouse, his dependent children and dependent parents.

**Category-B**

Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per Company's rules, 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's salary for each completed year of service.

**Category-C**

The Company shall provide car with driver and mobile/telephone at his residence. Provision of car for use on Company's business and mobile/telephone at residence will not be considered as perquisites. Personal long distance calls on mobile/telephone and use of car for private purpose shall be billed by the Company and paid by him."

The Board of Directors recommends the resolution for shareholders' approval at Item No. 13.

Except Shri R.P.Gupta, no other Director, Key Managerial Personnel (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.

**Item No. 14: Re-appointment of Shri V.K.Sharma as Executive Director of the Company**

Shri V.K. Sharma was appointed as an Executive Director by the Shareholders of the Company in their 23rd Annual General Meeting held on 29th September, 2012 for a period commencing from 24th October, 2011 and ending on 23rd October, 2013.

As the present term of Shri V.K. Sharma expired on 24th October, 2013, the Board of Directors of the Company in its meeting held on 30th September, 2013 reappointed him for a further period commencing on 24th October, 2013, and ending on 31st May, 2015, at a monthly remuneration (inclusive of Basic Salary, House Rent Allowance, Transport Allowance, Special Allowance) of ₹1,57,764/- p.m. (Rupees One Lakh Fifty Seven Thousand Seven Hundred Sixty Four only) as approved by the Board of Directors in its meeting held on 30th May, 2013 on the recommendations of Nomination and Remuneration Committee subject to the consent to be obtained from the shareholders in the general meeting. The said revision in remuneration is effective from 1st June, 2013.





The principal terms and conditions of Shri Sharma's re-appointment are proposed to be as follows:

Period of Agreement - from 24.10.2013 to 31.05.2015

- (A) Monthly Remuneration: ₹1,57,764/- p.m.
- (B) Perquisites in the nature of Reimbursement of Medical Expenses, Books & Periodicals, Petrol and Driver's Salary/ Helper Allowance subject to the maximum of ₹12,250/- per month.
- (C) The aggregate amount of Performance Incentives & others, if any, provided by the Company shall be valued as per Income Tax Act, 1961, and Rules framed thereunder and shall be restricted to ₹12,000/- per month.
- (D) Contribution to Employees Provident Fund (EPF) and Gratuity Fund or Superannuation 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.
- (E) Encashment of unavailed leaves as per the rules of the Company, at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (F) 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.
- (G) The Company may provide Mobile and Telephone facility at residence of Shri V.K.Sharma. However, personal long distance calls, if any, shall be billed by the Company and paid by him.
- (H) The Premium for a Floater Family Mediciam Policy and Group Accident Policy shall not to exceed ₹10,000/- per annum.

In accordance with the provisions of Sections 197 and 198 of the Act the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The Board of Directors recommends the resolution for shareholders' approval at Item No. 14.

Except Shri V.K. Sharma, no other Director, Key Managerial Person (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.

**Item No. 15: Revision in remuneration of Shri V.K. Sharma, Executive Director of the Company**

As proposed at Item No. 14 above, Shri V.K.Sharma was re-appointed as an Executive Director of the Company at the meeting of Board of Directors of the Company on 30th September, 2013 with effect from 24th October, 2013 and ending on 31st May, 2015. In addition to few perquisites and allowances enjoyed by him, Shri Sharma is currently drawing a remuneration (inclusive of Basic Salary, House Rent Allowance, Transport Allowance, Special Allowance) of ₹1,57,764/- per month. Considering the responsibilities shouldered by Shri V.K.Sharma, the Nomination & Remuneration Committee followed by the Board of Directors has accorded their respective approvals for enhancement of Shri V.K.Sharma's salary from ₹1,57,764/- per month to ₹1,73,540/- per month w.e.f. 1st June, 2014.

The principal terms and conditions of Shri Sharma's proposed remuneration to be as follows:

- (A) Monthly Remuneration: ₹1,73,540/- p.m.
- (B) Perquisites in the nature of Reimbursement of Medical Expenses, Books & Periodicals, Petrol and Driver's Salary/ Helper Allowance subject to the maximum of ₹12,250/- per month.
- (C) The aggregate amount of Performance Incentives & others, if any, provided by the Company shall be valued as per Income Tax Act, 1961, and Rules framed thereunder and shall be restricted to ₹12,000/- per month.
- (D) Contribution to Employees Provident Fund (EPF) and Gratuity Fund or Superannuation 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.
- (E) Encashment of unavailed leaves as per the rules of the Company, at the end of the tenure will not be included in the computation of the ceiling on perquisites.



- (F) 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.
- (G) The Company may provide Mobile and Telephone facility at residence of Shri V.K.Sharma. However, personal long distance calls, if any, shall be billed by the Company and paid by him.
- (H) The Premium for a Floater Family Mediciclaim Policy and Group Accident Policy shall not to exceed ₹10,000/- per annum

In accordance with the provisions of Sections 197 and 198 of the Act the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The Board of Directors recommends the resolution for shareholders' approval at Item No. 15.

Except Shri V.K. Sharma, no other Director, Key Managerial Person (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.

#### **Item No. 16: Enhancement of Borrowing Powers**

Section 180(1)(c) of the Companies Act, 2013, provides for power to the Board of Directors of the Company to borrow money up to an amount, which is equivalent to the aggregate of paid-up capital of the Company and its free reserves. In a situation where the borrowings are likely to exceed the said limit, a prior consent is required from the Company in General Meeting. Accordingly, the shareholders by way of postal ballot held in March, 2014 had authorized the Board to borrow money up to an amount of ₹350 Crores. Keeping in view the substantially increased orders in hand as well as orders likely to be bagged in near future, there would be a substantial increase in requirement of funds for meeting not only the future growth plans to cater to the increased demand for Company's products but also for expansion of existing facilities. Such heavy requirements would entail raising of long term funds.

In view of the reasons stated above, the shareholders are requested to accord their approval for enhancing the borrowing powers of the Board of Directors up to aggregate amount of ₹500 Crores (Rupees Five Hundred Crores only).

The Board of Directors recommends the resolution for shareholders' approval at Item No. 16.

No Director, Key Managerial Person (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.

#### **Item No. 17: Creation of Charge**

As explained in Item No. 16 above, the Company requires substantial amount of additional funds in order to meet the growing business demands. To avail the funds from the lenders, the Company would be required to secure the loans from time to time either by way of mortgage over immovable property/(ies) and/or by way of charges/lien/hypothecation or otherwise on the Company's assets in favour of lenders/security trustees.

In view of the said reasons the shareholders are requested to accord their approval in compliance of Section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors to mortgage and/or create charges, liens or hypothecation over the properties/assets of the Company up to a maximum ceiling as permitted under Section 180(1)(c) of the Companies Act, 2013, for borrowing by the Company, i.e. up to an amount of ₹500 Crores.

The Board of Directors recommends the resolution for shareholders' approval at Item No. 17.

No Director, Key Managerial Person (KMP) and relative of any Director or KMP is in any way concerned or interested in the said resolution.

#### **Regd. Office**

**1501, Vikram Tower  
Rajendra Place  
New Delhi-110008  
August 13, 2014**

By order of the Board of Directors  
**For Bharat Rasayan Limited**

**Sd/-  
Sonali Singh  
Company Secretary**



**Details of Directors seeking Re-appointment at the Annual General Meeting**

Particulars	Shri V.K.Sharma	Mrs. Sujata Agarwal	Shri Amit Gupta
<b>Date of Birth</b>	November 23, 1951	March 18, 1973	January 10, 1982
<b>Qualification</b>	Ph.D in Chemical Technology	B. Com (Hons.)	Post Graduate (MBA in Marketing)
<b>Expertise in Specific Functional Area</b>	<p>Shri V. K. Sharma has a rich experience of 29 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.</p> <p>He has been on the Board as an Executive Director since October 24, 2011.</p>	<p>Mrs. Sujata Agarwal has a rich experience of 15 years as a financial consultant.</p> <p>She has been appointed as an Additional Director on the Board w.e.f. September 01, 2014. She will act as an Independent &amp; Non-Executive Director.</p>	<p>Shri Amit Gupta has done his post graduation in Marketing and has overall experience of 7 years (approx.) in this field. He specializes in Marketing Strategies.</p> <p>He has been on the Board as a Non-Executive and Independent Director since January 09, 2012.</p>
<b>Directorship in other Companies</b>	Nil	Nil	- Rising Vintrade Pvt. Ltd.
<b>Membership/ Chairmanship of Committees across all Other Companies</b>	Nil	Nil	<p><b><u>Audit Committee</u></b></p> <p>- Bharat Rasayan Limited#</p> <p><b><u>Nomination &amp; Remuneration Committee</u></b></p> <p>- Bharat Rasayan Limited#</p> <p><b><u>Stakeholders Relationship Committee</u></b></p> <p>- Bharat Rasayan Limited#</p> <p><b><u>Committee of Directors</u></b></p> <p>- Bharat Rasayan Limited#</p>

\*Chairman #Member



Particulars	Shri Ram Kanwar	Shri Pankaj Gupta	Shri S. N. Gupta
<b>Date of Birth</b>	May 23, 1944	September 07, 1984	April 05, 1948
<b>Qualification</b>	MA (Economics)	Bachelor of Business Administration (BBA) and LL.B	MA (Economics)
<b>Expertise in Specific Functional Area</b>	<p>Shri Ram Kanwar is a Post Graduate in Economics and has vast experience of 39 years (approx.) in the field of Business Strategies.</p> <p>Shri Ram Kanwar is associated with the Company since July 10, 2008.</p>	<p>Shri Pankaj Gupta has an experience of 8 years in the Legal field and Business Administration.</p> <p>Shri Pankaj Gupta is a Director in the Company since November 24, 2007.</p>	<p>Shri S. N. Gupta is a Post Graduate in Economics having a rich experience of 38 years (approx.).</p> <p>He specializes in the field of International Business, Overall Marketing Strategy and Corporate Planning.</p> <p>Under the esteemed guidance of Shri S. N. Gupta, the Company has earned the reputation of manufacturing pesticides of world class quality and commitment to fair dealings in our industry.</p> <p>Shri S. N. Gupta is a Director in the Company since its inception i.e. May 15, 1989.</p>
<b>Directorship in other Companies</b>	Nil	Nil	<ul style="list-style-type: none"> <li>- Bharat Insecticides Ltd.</li> <li>- Crop Care Federation of India</li> <li>- Centum Finance Ltd.</li> <li>- Samhlo Farms Pvt. Ltd.</li> <li>- BRL Finlease Ltd.</li> </ul>
<b>Membership/ Chairmanship of Committees across all Other Companies</b>	Nil	<p><b><u>Audit Committee</u></b></p> <p>- Bharat Rasayan Limited#</p> <p><b><u>Nomination &amp; Remuneration Committee</u></b></p> <p>- Bharat Rasayan Limited#</p> <p><b><u>Stakeholders Relationship Committee</u></b></p> <p>- Bharat Rasayan Limited*</p>	<p><b><u>Committee of Directors</u></b></p> <p>- Bharat Rasayan Limited*</p>

\*Chairman #Member



Particulars	Shri M.P.Gupta	Shri R.P.Gupta
<b>Date of Birth</b>	January 12, 1954	March 05, 1966
<b>Qualification</b>	B.Com.	B.Com.
<b>Expertise in Specific Functional Area</b>	<p>Shri M.P.Gupta has an experience of more than 37 years in the Corporate Sector. He has to his credit, vast experience in the field of Finance, Banking, Taxation, Accounts and General Administration.</p> <p>Shri M. P. Gupta is a Director in the Company since inception, i.e. May 15, 1989.</p>	<p>Shri R.P.Gupta has vast experience of 28 years (approx) in varied fields like Manufacturing/Production, Procurement and General Administration.</p> <p>He has been instrumental in setting up the Company's plant at Dahej (Gujarat) and is also involved in activities at other plant located at Rohtak (Haryana).</p> <p>Shri R.P.Gupta is associated with the Company since its inception, i.e. May 15, 1989.</p>
<b>Directorship in other Companies</b>	<ul style="list-style-type: none"> <li>- Bharat Insecticides Ltd.</li> <li>- B R Agrotech Ltd.</li> <li>- Vikas Technopack Pvt. Ltd.</li> <li>- Synochem Organics Pvt. Ltd.</li> <li>- Samhlo Farms Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- Bharat Insecticides Ltd.</li> <li>- B R Agrotech Ltd.</li> <li>- Samhlo Farms Pvt. Ltd.</li> </ul>
<b>Membership/ Chairmanship of Committees across all Other Companies</b>	<p><b><u>Stakeholders Relationship Committee</u></b></p> <ul style="list-style-type: none"> <li>- Bharat Rasayan Limited#</li> </ul> <p><b><u>Share Transfer Committee</u></b></p> <ul style="list-style-type: none"> <li>- Bharat Rasayan Limited*</li> </ul> <p><b><u>Committee of Directors</u></b></p> <ul style="list-style-type: none"> <li>- Bharat Rasayan Limited#</li> </ul>	<p><b><u>Share Transfer Committee</u></b></p> <ul style="list-style-type: none"> <li>- Bharat Rasayan Limited#</li> </ul> <p><b><u>Committee of Directors</u></b></p> <ul style="list-style-type: none"> <li>- Bharat Rasayan Limited#</li> </ul>

\*Chairman #Member





## INSTRUCTIONS FOR E-VOTING

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes through electronic means on all the resolutions set out in the notice dated 13.08.2014. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-Voting.

**E-Voting is optional and members shall have the option to vote either through e-Voting or in person at the general meeting.**

2. The e-Voting facility will be available during the voting period :

Start Date & Time	End Date & Time
22nd September, 2014 & 9:30am	24th September, 2014 & 5:30 pm

3. **The process and instructions for e-Voting are as under:**

- i) Open your web browser during the voting period and log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Now click on "Shareholders" button to cast your votes.
- iii) Now, select the "BHARAT RASAYAN LIMITED" from the drop down menu and click on "SUBMIT"
- iv) Now, enter your User-ID
  - a. For Members holding shares in Demat mode:-
    - (i) NSDL: 8 Character DP-ID followed by 8 digits Client-ID.
    - (ii) CDSL : 16 digit Beneficiary-ID
  - b. For Members holding shares in physical mode should enter Folio No. registered with the Company.
- v) Next enter the image verification as displayed and Click on Login Button.
- vi) If you are holding shares in demat mode and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alphanumeric PAN number issued by Income Tax Department. * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. * In case the sequence number is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rajesh Kumar with the sequence number 1 then enter RA000000001 in the PAN field.
DOB#	Enter the date of birth as recorded in your demat account or in Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in Company records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field.



- viii) After entering these details appropriately, click on "SUBMIT" Button.
- ix) Members holding shares in physical mode will then reach directly to the voting screen. However, members holding shares in demat mode will now reach Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@, #, \$, etc). Kindly note that this password is to be also used by the Demat holders for voting on the resolution of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical mode, the password and default number can be used only for e-Voting on the resolutions contained in this Notice.
- xi) Click on EVSN for the relevant BHARAT RASAYAN LIMITED on which you choose to vote.
- xii) On the voting page, you will see Resolution Description and against the same the option 'YES/ NO' for voting. Select the option YES or NO as desired. The option YES implies that you Assent to the Resolution & option NO implies that you Dissent to the Resolution.
- xiii) Click on the Resolution File Link if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT" Button. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xvi) If Demat account holder has forgotten the changed password then Enter the User-ID and the image verification code and click on "Forgot Password" & enter the details as prompted by the system.
- ♦ Corporate/Institutional members (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotinindia.com](http://www.evotinindia.com) and register themselves as Corporates.
  - ♦ They should submit a scanned copy (PDF/JPEG Format) of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ♦ After receiving the login details they have to create a User-ID which would able to link the account(s) which they wish to vote on.
  - ♦ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) & on approval of the accounts they would be able to cast their vote.
  - ♦ They should upload a scanned copy of the relevant Board Resolution/Authority letter etc., together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, for the scrutinizer to verify the same.

#### **4. General Instructions**

- i) The e-Voting period commences on 22nd September, 2014 (9:30 am) and ends on 24th September, 2014 (5:30 pm). In case you have any queries or issues regarding e-Voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). During this period, the shareholders of the Company, holding shares either in physical mode or dematerialised mode, as on the cut-off date of August 14, 2014, may cast their votes electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.



- ii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 14, 2014.
- iii) The Board of Directors of the Company has appointed Mrs. Mamta Jain, a Practicing Company Secretary as the Scrutinizer for conducting the e-Voting process in a fair and transparent manner.
- iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-Voting period, unlock the votes in presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in Favour of or Against, if any, forthwith to the Chairman of the Company.
- v) The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bharatgroup.co.in](http://www.bharatgroup.co.in) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within two days of passing of the Resolutions at the 25th Annual General Meeting of the Company and communicated to Stock Exchange where the Company's shares are listed.



## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 25th Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March 2014.

### **FINANCIAL HIGHLIGHTS**

During the year, Indian economy witnessed various issues such as slower growth, high inflation, uncertain political environment and strong forex volatility. Despite such an environment, Company's Total Revenue stood at ₹36234.90 Lacs as compared to ₹18816.47 Lacs during the previous year thereby registering a growth of 92.57%

The highlights of Company's financial performance for the year ended on 31st March, 2014 and appropriation of divisible profits is given below:-

(₹ in Lacs)

<b>Particulars</b>	<b>For the year ended 31.03.2014</b>	<b>For the year ended 31.03.2013</b>
<b>Total Revenue</b>	<b>36234.90</b>	18816.47
Total Expenditure (excluding Depreciation & Interest)	<b>29739.86</b>	16629.37
<b>Profit before Interest, Depreciation, Tax &amp; Exceptional Items</b>	<b>6495.04</b>	2587.10
Interest	<b>1471.97</b>	444.04
Depreciation	<b>1783.39</b>	688.36
<b>Profit before Tax &amp; Exceptional Items</b>	<b>3239.68</b>	1454.70
Exceptional Items	<b>233.23</b>	43.62
Tax Expense	<b>991.83</b>	452.48
<b>Profit after Tax &amp; Exceptional Items</b>	<b>2014.62</b>	958.60
Surplus brought forward from previous year	<b>2263.08</b>	1353.48
Transfer to General Reserve	—	(50.00)
Provision for Dividend Distribution Tax	<b>(7.22)</b>	—
Provision for Dividend	<b>(42.49)</b>	—
Other Appropriations	—	1.00
<b>Balance bring surplus carried forward to the Balance Sheet</b>	<b>4227.99</b>	2263.08

### **OPERATIONAL ACHIEVEMENTS**

#### **BAGGING OF ORDERS**

Your Directors are happy to report that in addition to the continued patronage that your Company enjoyed from its customers, many new customers reposed their confidence in Company's products and services. It is only due to such patronage that during the year under review your Company could bag many prestigious contracts.

#### **DIVIDEND**

Your Directors are pleased to recommend a final Dividend of ₹1/- per equity share having face value of ₹10/- each for the financial year ended 31st March, 2014. The Final Dividend subject to the approval of the members at the Annual General Meeting scheduled to be held on 29th September, 2014, will be paid to those members whose names appear in the Register of Members or in the records of the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners of the shares as at the end of business hours on 20th September, 2014.



## **DIRECTORATE**

Shri Ajay Gupta, Executive Director of the Company submitted his resignation to the Board of Directors & ceased to be associated with the Company w.e.f. 6th June, 2014. Shri Sandesh Jain & Shri Naresh Agarwal also ceased to be associated with the Company w.e.f. 14th August, 2014. The Board place on record their appreciation for the guidance and support extended by Shri Ajay Gupta, Shri Sandesh Jain & Shri Naresh Agarwal during their association with the Company. Mrs. Sujata Agarwal was appointed as an Additional Director on the Board of the Company w.e.f. 1st September, 2014.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors form part of the Notice of the Annual General Meeting.

In accordance with the provisions of Section 152 of Companies Act, 2013 and Article 86 of the Articles of Association of the Company, Shri V.K. Sharma (DIN No. 05106079), Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Further, in compliance of Clause 49(IV)(G) of the Listing Agreement, a brief resume of the Directors eligible for re-appointment is annexed to the notice to enable the shareholders to consider their re-appointment.

## **CHIEF FINANCIAL OFFICER**

In compliance of Clause 49 of the Listing Agreement, your Board appointed Shri Rakesh Kumar Verma as a "Chief Financial Officer" of the Company w.e.f. 13.08.2014.

## **PUBLIC DEPOSITS**

Your Company has not accepted any deposits from the public, or its employees during the year under review.

## **INSURANCE**

The Company has taken 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.

## **STATUTORY COMPLIANCES**

1. The Company Secretary acts as a Compliance Officer ensures timely compliance of SEBI regulations, applicable law, rules and regulations and provisions of Listing Agreement. She also responds to different type of grievances and queries including the ones related to dividend of shareholders.
2. In compliance of Clause 32 of the Listing Agreement executed by the Company with Stock Exchange, the Cash Flow Statement in the format prescribed by SEBI is annexed to this report.
3. In compliance of Clause 49 VI (ii) of the Listing Agreement, Quarterly Compliance Report in the prescribed format is regularly sent to Stock Exchanges.
4. In accordance with the statutory obligation, Reconciliation of Share Capital Audit is done on quarterly basis to reconcile the total admitted capital with the two depositories in the country namely National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Audit Reports furnished to this effect by a Practicing Company Secretary appointed for the purpose have been regularly submitted to the Stock exchanges with which the Company's shares are listed.

## **INTERNAL CONTROL AND ADEQUACY**

The Company has an adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. Transactions are authorized, recorded and reported correctly.

Your Company is well aware of the advantages of an effective Control System in the Company. Accordingly, an Internal Auditor who is a qualified Cost Accountant, has been appointed to carry out the Internal Audit of Accounts of the Company and critically analyses the same after which an Internal Audit Report is placed before the Audit Committee in its every quarterly meeting for detailed deliberations on the same.





The team of Statutory Auditors being an External Body achieves adequate effectiveness of its extensive Audit due to support of the Company's Internal Audit Department. Both Statutory as well as Internal Auditor are regularly invited at the Audit Committee Meetings wherein more light is thrown on the regular Internal Audit checks carried out to ensure that the responsibilities given to different Senior Officers of the Company across all plants are executed effectively with an overall objective that the Company's assets are safeguarded and protected against losses from unauthorized use or disposal.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required by Clause 49 of the Listing Agreement, a separate Management Discussion and Analysis Report is annexed to Directors' Report and forms part of this Annual Report as **Annexure-I**.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of this Report as **Annexure-II**.

### **CORPORATE GOVERNANCE**

Your Company reaffirms its commitment to the good corporate governance practices and adheres to the standards set out by the Securities Exchange Board of India. A detailed report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement executed with Stock Exchange is attached to this Report as **Annexure-III**. The Auditor's Certificate confirming the compliance to the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement has been obtained and is annexed at the end of Corporate Governance Report.

### **BOARD COMMITTEES**

For assisting the Board of Directors on discharging its responsibilities in various fields effectively and efficiently following five Standing Committees with a defined mandate given to them have been constituted by the Board:

1. Audit Committee
2. Committee of Directors
3. Nomination & Remuneration Committee
4. Stakeholders Relationship Committee
5. Share Transfer Committee

Meetings of these Committees are held periodically wherein certain important decisions in accordance with their respective mandates are taken which are thereafter ratified by the Board.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions contained in Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of annual accounts of the year ended 31st March 2014, the applicable accounting standards were followed and there are no material departures;
- (b) The accounting policies in consultation with Statutory Auditors are applied consistently to give a true and fair view of the state of affairs of the Company at the end of financial year ended 31st March, 2014 and Statement of Profit & Loss of the period under report.
- (c) Proper and sufficient care has been taken for maintenance of adequate accounting records and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Annual Accounts have been prepared on a going concern basis.



## **AUDITORS**

M/s. B.K.Goel & Associates, Chartered Accountants, (Firm Registration No. 016642N) Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. M/s B.K.Goel & Associates, Chartered Accountants, if appointed will hold the office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Twenty-Sixth Annual General Meeting held thereafter subject to ratification of the appointment by the members at every AGM held after the ensuing Annual General Meeting.

The Board of Directors of the Company has received a Certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

## **AUDITORS' REPORT**

The notes to the accounts referred to in Auditor's Report are self-explanatory and therefore does not call for any further comments by the Board of Directors.

## **COST AUDITORS**

Subsequent to the approval accorded by the Central Government in accordance with the provisions of Section 148 of the Companies Act, 2013, the Board has appointed M/s M. K. Singhal & Co., Cost Accountants, as Cost Auditor of the Company for conducting an audit of the Cost Accounts maintained by the Company for the financial year 2014-15.

## **PARTICULARS OF EMPLOYEES**

During the year under review, 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.

## **ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank all Investors, Suppliers, Clients, Financial Institutions, Banks, Regulatory and Government Authorities and Stock Exchanges for their continued support.

Your Directors also place on record their appreciation for the contribution made by the employees at all levels. Our Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

**for and on behalf of the Board of Directors  
for Bharat Rasayan Limited**

**Sd/-  
(S.N. Gupta)**

**Chairman & Managing Director**

**New Delhi  
August 13, 2014**



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

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### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE & DEVELOPMENT**

Globally India is the fourth largest producer of agrochemicals after United States, Japan & China. In India, agrochemical manufacturing companies can be categorized into three types - Multinational, Indian including the public sector companies and small sector units. Agrochemicals are manufactured as technical grades and converted into formulations for agricultural use. Technical grade manufacturers, formulators producing the end products, distributors and end users (farmers) constitute the Indian Agrochemical market. According to Pesticide Monitoring Unit, Government of India, there are about 125 technical grade manufacturers including about 10 multinationals, more than 800 formulators and over 145,000 distributors in India. Technical grade manufacturers sell high purity chemicals to formulators. Formulators prepare the ready to use formulations by adding inert carriers, solvents, surface active agents etc. These formulations are then packed for retail sale, supplied to the distributors and finally sold to the end users (farmers).

In accordance with the reports released by various surveys, the domestic agrochemical industry stood at USD 2.1 billion in 2013 and has grown at 8% CAGR over the last five years. Whereas, the exports stood at USD 2 billion and have grown at 17% CAGR over the last five years which accounts for almost 50% of the total production. India due to its inherent strength of low-cost manufacturing and qualified cost advantaged manpower is a net exporter of pesticides to countries such as USA and some European & African countries.

#### **OPPORTUNITIES AND THREATS**

Currently the world's population stands at 7 billion and is expected to reach 9.3 billion by 2050. This will require 100% increase in global food production to meet the growing demand. However with increasing urbanization, there is reduction in per capita farmland availability and agricultural workforce. It is expected that the agricultural workforce in developing economies such as India would reduce from 70% in 1980 to 50% in 2020s. In addition to this about 20-40% of production is lost due to pests, weeds and diseases. All these aspects are increasing the pressure on agriculture sector to improve productivity resulting in increased opportunities for agrochemical products.

##### **a) OPPORTUNITIES**

Based on various studies, it can be rightly said that proper usage of agrochemical products can increase crop productivity by 20-50% which helps mitigate the 20-40% of crop losses from insect pests, weeds and disease attacks to a certain extent. This in turn helps the farmers to get back a certain % of their investments in agrochemicals, which allows them to invest in seeds and on other farm inputs to grow more and better crops.

Also the export of pesticides from India has seen a strong growth over the last few years. India's capability in low cost manufacturing, availability of technically trained manpower, seasonal domestic demand, over capacity (production capacity of 1,50,000 MT against production of 85,000 MT in f/y 2013), better price realization globally & strong presence in generic pesticide manufacturing are the reasons for growing exports of agrochemical products from India. The major exports from India happen to be in America, Asia (excluding Middle East) & Europe which resulted into emergence of India as the thirteenth largest exporter of pesticides.



In addition to that, the increase in demand for herbicides and fungicides owing to labor shortage and rising labor costs are the principal driver for Industry. Currently the fungicides and herbicides account for 18% and 16% respectively, of the total Indian Agrochemical Market.

#### **b) THREATS**

Despite the strong growth drivers, Indian agrochemical Industry face challenges in terms of low awareness among farmers about the pesticides, dosage and quality etc., seasonal nature of demand, unpredictability of pest attacks & high dependence on monsoons which results in month end skews and high inventory across the channel is a unceasing problem for the industry. Also rising sale of spurious pesticides is another major threat to the growth of Agrochemical Industry.

#### **OUTLOOK**

Regarding the Company's outlook, it can confidently claim that the State of the art manufacturing plant set up in Dahej (Gujarat), spread over 30 acres with a capacity of 15000 MTs of tech grade material per annum would enable the Company to upgrade its manufacturing technology and add new molecules to its portfolio to further consolidate its position in the industry in future.

Apart from loyal customer base that the Company is enjoying since last several years now, many more new domestic as well as overseas customers are added to the portfolio of the Company during the year & same is expecting to increase in near future due to Company's commitment of supplying high quality product in a time bound manner. Your Company has a Govt. approved In-house Research & Development Center duly recognized by Ministry of Science & Technology, Government of India, Department of Scientific & Industrial Research, New Delhi located at Bahadurgarh (Haryana), focusing on process development for acquiring technology for manufacturing off patented products, process Improvement for higher productivity, formulation improvement for domestic and overseas customers & quality assurance.

The outlook on domestic front for the Industry as a whole is also encouraging as Govt. of India has taken an initiative to provide credit facilities to farmers in the rural areas which will give boost to the agriculture industry. Access to finance will encourage them to use more pesticides in order to improve the crop yield.

#### **RISKS AND CONCERNS**

India loses several thousands of crore of rupees worth of agricultural produce annually due to pests and diseases. The key reason for this huge loss every year is low consumption of pesticides in India which brings India's per capita consumption of pesticides amongst the lowest in the world. Low purchasing power of farmers, lack of awareness amongst them and limited reach are major reasons for low consumption of pesticides in India.

Another concern for Agrochemical Industry is high inventory owing to seasonal and irregular demand on account of monsoons and long credit period. This is one of continual risk faced by the companies in Agrochemical Industry.

As explained above, the nature of Company's business is such that these risks have to be confronted which not only exist in the said business but even grow at a respectable pace. In order to minimize the risk, a comprehensive and integrated risk management framework is followed by the Company.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has a robust audit process comprising both internal and external audits to ensure adequacy and effectiveness of controls. The internal controls are formulated and implemented by the management with an objective to achieve efficiency in operations, optimum utilization of resources and effective monitoring and compliance with applicable laws. The qualified, experienced and independent Audit Committee of the Board of Directors regularly reviews plans, significant audit findings, compliance with accounting standards and other legal requirements relating to financial statements.



## **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

With the network of Plants of the Company across the northern part of the Country, it is important that apart from achievement of good performance of the various production facilities, excellent financial performance of each Unit/Plant is also achieved. While adequate decentralization of powers at Plants level has been resorted to, all crucial decisions pertaining to operation as well as finance are taken at Company's Head Office in Delhi. The centralized purchase of the major raw-materials and the centralized fund raising exercise at Head Office level has indeed proved beneficial to the Company as both these areas are fairly sensitive keeping in view the peculiar nature of Company's operations. As an ongoing exercise continuous planning by senior personnel based at Head Office in Delhi with respect to crucial operational matters goes a long way in exercising strict cost controls eventually resulting into profit maximization. The highlights of Company's performance during the year under review are as follows:

- ❖ Increase in Gross Sales from ₹20127.38 lacs to ₹38595.86 lacs, thereby registering a growth of 91.76%.
- ❖ Increase in Exports from ₹5830.45 lacs to ₹11716.12 lacs, thereby registering a growth of 100.95%.
- ❖ Increase in Profit before Tax from ₹1411.08 lacs to ₹3006.46 lacs, thereby registering a growth of 113.06%.

## **HUMAN RESOURCES DEVELOPMENT**

It has been recognized time and again by the senior management of the Company that Human Resources of the Company are great asset. Adequate attention is paid to motivational factors with a view to retain the quality personnel in the Company in spite of their high cost as it is strongly felt that recruitment and training of new personnel eventually cause a big drain on Company's finances without producing adequate productivity.

Training of individuals at Plant level directly results into betterment of individual traits eventually translated into quality production. By adoption of all such methods not only for induction of quality manpower but even for retaining such quality manpower has benefited the Company in creating a clear edge over its competitors as far as human resources is concerned.

## **CAUTIONARY STATEMENT**

*Certain Statements made in this report relating to Company's objectives, outlook, future plans etc. may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual performance may differ materially from such estimates or projections, whether express or implied. Important factors that could make a difference to the Company's operations; include Government Regulations, Tax regimes, Economic developments within India and countries in which the Company conducts business and other allied factors.*





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

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

**A. CONSERVATION OF ENERGY**

- (a&b) 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 31.03.2014	For the year ended 31.03.2013
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
(i) Unit ( KWH )	16,499,311.94	9,245,831.00
(ii) Total amount (₹)	97,529,925.00	55,702,054.24
(iii) Rate / Unit	5.91	6.02
<b>(b) Own generated</b>		
(i) Through Diesel generator/Furnace Oil (FO)		
• Unit (KWH)	1,259,916.00	956,269.00
• Unit per Ltr. of diesel oil/Furnace Oil (FO)	3.06	3.46
• Cost /Unit	19.52	15.39
(ii) Through Steam Turbine/Generator	N.A.	N.A.
<b>2. Coal</b>		
• Quantity (tones) (Pet Coke/Wood/Coal)	10,719.25	5,179.66
• Total Cost (₹)	55,854,692.60	30,800,361.00
• Average rate (In Kgs)	5.21	5.95
<b>3. Furnace Oil/HSD</b>		
• Quantity (Kgs/Ltrs)	511,853.00	276,094.00
• Total amount (₹)	24,833,525.00	10,569,859.00
• Average rate	48.52	38.28
<b>4. Others/Internal Generations</b>	N.A.	N.A.
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
• Electricity (KWH)	3.45	3.41
• Coal (KG)	2.10	1.73
• Furnace Oil/HSD	0.10	0.18



## **B. TECHNOLOGY ABSORPTION**

### **FORM 'B'**

#### **Research & Development (R&D)**

- (1) Company's In-house R&D facilities is recognized by the Ministry of Science and Technology, New Delhi, for further period upto 31.03.2015.
- (2) R&D efforts of the Company are directed towards quality assurance and improvement of existing products quality.
- (3) Development of new processes for products is carried out on an ongoing basis. Several new products were developed during the year under review with special impetus on following aspects.
  - i) Develop new products for contribution in growth of the Company.
  - ii) Competitive in terms of technical & commercial point of view.
  - iii) Enhanced effectiveness of products towards end use.
  - iv) More environment friendly process.
  - v) More safe to manufacture.
- (4) Expenditure on R&D by Company's In-house R&D Unit:

(a) Capital	:	₹ 4.12 lacs
(b) Recurring	:	₹ 56.67 lacs
(c) Total	:	₹ 60.79 lacs
(d) Total R&D expenditure (as % of total expenditure)	:	0.18 %

#### **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 ₹12756.94 lacs (previous year ₹4,274.23 lacs)
- (3) Total foreign exchange earned ₹9894.38 lacs (previous year ₹4,937.13 lacs)



## ANNEXURE - 'III' TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to conducting its business in compliance with the applicable laws, rules and regulations as amended from time to time and with the highest standards of business ethics. Your Company's philosophy on Corporate Governance is aimed at optimizing the balance between stakeholders' interests on one hand and corporate goals on the other through the efficient conduct of its business and meeting their obligations in a manner that is guided by fairness, transparency, integrity, equity and accountability.

The traditional view of Governance as a regulatory and compliance requirement has given way to adoption of governance norms tailored to the specific needs of the Company. The Company has a well defined policy framework, the Broad terms of which are:

- a) to ensure transparency in all its operations which implies the maximum possible disclosure without compromising in any way the compliance of laws and regulations and the interest of the Company and its shareholders.
- b) to ensure management's commitment in applying principles of openness, accountability, responsibility, independence, fairness and prudence in managing the Company.
- c) to maintain high quality of products and services provided by the Company on continuous basis.
- d) to ensure that organization is managed in the best interest of all.
- e) to ensure promotion of ethical values and setting up exemplary standards of ethical behavior in our conduct.

### 2. BOARD OF DIRECTORS

#### (A) Composition of the Board

The Board presently comprises of eight Directors of which four are Executive Directors and four are Non-Executive and Independent Directors. The composition of the Board of Directors is in full conformity with Clause 49 of the Listing Agreement executed by the Company with the Stock Exchange.

The composition of the Board of Directors, attendance at the Meetings of Board and last Annual General Meeting (AGM) held during the year along with the number of Directorships and Committee positions held by them in our Company as well as in other Companies during the year under review are given herein below:

Name of the Directors	Attendance at the Meeting held during the year 2013-14		Number of Board Memberships <sup>1</sup>	Number of Committee positions held as	
	Board Meetings (out of 6 held)	Last AGM held on 26.09.2013		Chairman	Member
Executive Directors					
Shri S. N. Gupta Chairman & Managing Director	6	Yes	4	1	Nil
Shri M. P. Gupta Whole Time Director	5	Yes	5	1	2
Shri R. P. Gupta Whole Time Director	5	Yes	3	Nil	2
Shri Ajay Gupta <sup>2</sup>	6	No	Nil	Nil	Nil
Shri V. K. Sharma	1	No	Nil	Nil	Nil



Name of the Directors	Attendance at the Meeting held during the year 2013-14		Number of Board Memberships <sup>1</sup>	Number of Committee positions held as	
	Board Meetings (out of 6 held)	Last AGM held on 26.09.2013		Chairman	Member
Non- Executive & Independent Directors					
Shri Sandesh Jain <sup>2</sup>	6	Yes	7	2	6
Shri Naresh Agarwal <sup>2</sup>	Nil	No	Nil	Nil	Nil
Shri Pankaj Gupta	6	Yes	Nil	1	2
Shri Ram Kanwar	3	No	Nil	Nil	Nil
Shri Amit Gupta	6	Yes	1	Nil	4
Mrs Sujata Agarwal <sup>3</sup>	Nil	No	Nil	Nil	Nil

**Notes:**

- Number of Directorships includes Board Memberships held in our Company as well as in other companies excluding alternate directorship, directorship in Private Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.
- Shri Ajay Gupta ceased to be a Director w.e.f. 06.06.2014.  
Shri Sandesh Jain ceased to be a Director w.e.f. 14.08.2014.  
Shri Naresh Agarwal ceased to be a Director w.e.f. 14.08.2014.
- Appointed as an Additional Director on the Board effective from 01.09.2014.

**(B) Board Meetings**

The Board of Directors met six times during the year ended March 31, 2014. The dates of the said Board Meetings were May 30, 2013, August 12, 2013, September 30, 2013, November 14, 2013, February 7, 2014 and February 14, 2014 respectively. In compliance of Clause 41(1)(e) of Listing Agreement, it was ensured that the gap between any two Board Meetings did not exceed four months. After close of the financial year, the Board of Directors met on May 30, 2014 to take on record the Audited Financial Results for the whole financial year 2013-14 and for submission of the said results to Stock Exchanges as per Clause 41(1)(d) of the Listing Agreement.

**(C) Code of Conduct**

The Board of Directors of the Company has adopted a Code of Conduct that set out the fundamental standards to be followed in all actions carried out on behalf of the Company, copy of which is also available on the Company's website, i.e. [www.bharatgroup.co.in](http://www.bharatgroup.co.in).

All the Directors and Senior Management Personnel of the Company are bound by the Code of Conduct and have affirmed compliance with the said Code for the year ended March 31, 2014. A declaration to this effect signed by the Chairman & Managing Director also forms part of this report.

**3. BOARD COMMITTEES**

**3.1 Committee of Board of Directors**

The Board is authorised to constitute Committees and delegate to them few powers and duties with respect to specific purposes as defined in various Sections of the Companies Act, 1956 (now Companies Act, 2013). The Board has constituted one such Committee, i.e. Committee of Directors under the Chairmanship of Shri S. N. Gupta, Chairman & Managing Director of the Company. The meetings of the said Committee are held as and when need arises.



**(A) Composition**

As on March 31, 2014, the Committee comprises of Shri S.N.Gupta as its Chairman and Shri M.P.Gupta, Shri R.P.Gupta, Shri Sandesh Jain and Shri Amit Gupta as its members.

**(B) Terms of Reference**

The major role and terms of reference of the Committee is to deliberate and decide upon all such urgent matters, which cannot wait till convening of next Board Meeting. All decisions of the Committee are placed before the Board for noting and ratification by the Board in its next meeting.

**(C) Meetings and Attendance**

During the year 2013-14, six meetings of the Committee of Board of Directors were held. The date of the said meetings were April 24, 2013, June 12, 2013, June 14, 2013, September 19, 2013, September 26, 2013 and December 10, 2013. The requisite quorum was present at every meeting of the Committee of Board of Directors.

The composition of the Committee of Board of Directors and attendance at the meetings held during the year are given herein below:

S. No.	Name of the Members	Designation	Meetings Attended (out of 6 held)
1.	Shri S.N.Gupta	Chairman	6
2.	Shri M.P.Gupta	Member	6
3.	Shri R.P.Gupta	Member	6
4.	Shri Sandesh Jain**	Member	5
5.	Shri Amit Gupta	Member	6

\*Ms. Sonali Singh acts as the Secretary to the Committee of the Board of Directors.

\*\*Shri Sandesh Jain ceased to be a Director w.e.f. 14.08.2014.

**3.2 Audit Committee**

Your Company's Board has constituted Audit Committee comprising of qualified and independent members drawn from the Board itself. This Committee has been constituted in compliance of and in accordance with the provisions contained in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956 (now referred as Section 177 of the Companies Act, 2013).

**(A) Composition**

During the year under review, the Audit Committee comprised 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. The Chairman and all members of the Committee are financially literate and have relevant financial and accounting expertise.

Ms. Sonali Singh acts as the Secretary to the Audit Committee.

**(B) Terms of Reference**

The present terms of reference, scope and function of the Audit Committee are as per the requirements of Section 292A of the Companies Act, 1956 (now referred as Section 177 of the Companies Act, 2013) read with Clause 49 of the listing Agreement and includes other functions as assigned by the Board from time to time. The functions of the Audit Committee, inter-alia includes:



- A. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Reviewing with the Management, the Quarterly and Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 217 sub-section (2AA) of the Companies Act, 1956.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Qualifications in draft audit report.
  - v) Significant adjustments arising out of audit.
  - vi) The going concern assumption.
  - vii) Compliance with Stock Exchanges and legal requirements concerning financial statements.
  - viii) Disclosure of any related party transactions.
- C. To discuss and review the Company's financial and risk management policies.
- D. To review with the Management, the statement of uses/ application of funds raised through Public Issue, Rights Issue, and Preferential Issue etc.
- E. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- F. Discussing with internal auditors any significant finding and follow-up thereon.

The Audit Committee is also entitled to review such matters as are considered appropriate by it and referred to it by the Board.

### **(C) Meetings and Attendance**

During the year 2013-14, four meetings of the Audit Committee were held. The dates of the said meetings were May 30, 2013, August 12, 2013, November 14, 2013 and February 14, 2014 respectively. The requisite quorum was present at every meeting of the Audit Committee. The attendance of the members at the said meetings are as follows:

<b>S. No.</b>	<b>Name of the Members</b>	<b>Designation</b>	<b>Meetings Attended (out of 4 held)</b>
1.	Shri Sandesh Jain*	Chairman	4
2.	Shri Pankaj Gupta	Member	4
3.	Shri Amit Gupta	Member	4

\*Shri Sandesh Jain ceased to be a Director w.e.f. 14.08.2014.

### **3.3. Nomination & Remuneration Committee**

#### **(A) Composition**

As on March 31, 2014, Nomination & Remuneration Committee comprised of three Non-Executive and Independent Directors headed by Shri Sandesh Jain as its Chairman and Shri Pankaj Gupta and Shri Amit Gupta as its members.





**(B) Terms of Reference**

The Nomination & 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 Nomination & 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**

During the year under review, two meetings of Nomination & Remuneration Committee were held on September 30, 2013 and February 14, 2014 respectively. The attendance of the members at the said meetings are as follows:

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	Member	2

\*Shri Sandesh Jain ceased to be a Director w.e.f. 14.08.2014.

**(D) Remuneration Policy**

Remuneration policy of the Company is framed with a view to ensure that the Company remain competitive in the industry so as to attract and retain best talent available in the market. Moreover, the policies to be designed most appropriately reward the talented individuals in their respective performances and contribution to the Company's business.

Details of the remuneration paid to the Executive Directors during the financial year 2013-14, are given herein below:

(₹ in Lacs)

Name & Designation of Director	Salary	Profit Based Commission	Other perquisites and allowances	Sitting Fees*	Total
Shri S. N. Gupta <i>Chairman &amp; Managing Director</i>	21.00	127.44	12.00	—	160.44
Shri M. P. Gupta <i>Whole-Time Director</i>	15.00	57.93	—	—	72.93
Shri R. P. Gupta <i>Whole-Time Director</i>	12.00	46.34	0.09	—	58.43
Shri Ajay Gupta	21.19	—	1.66	—	22.85
Shri V. K. Sharma	19.39	—	—	—	19.39

\*No sitting fee has been paid by the Company to any Director during the year under review.



**(E) Shareholding of Non-Executive Directors**

Non-Executive Directors do not 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.

**3.4. Stakeholders Relationship Committee**

**(A) Composition**

The Stakeholders Relationship Committee has been constituted under the Chairmanship of a Non-Executive & Independent Director to look into the redressal of complaints of investors such as delay in transfer and/or transmission of shares or non-receipt of dividend etc. The said Committee comprises of Shri Pankaj Gupta as its Chairman and Shri M.P.Gupta and Shri Amit Gupta as its Members. The Company Secretary acts as the Compliance Officer of the Company.

**(B) Meetings and Attendance**

During the financial year ended March 31, 2014, the Committee met four times on April 1, 2013, July 1, 2013, October 5, 2013 and January 1, 2014. 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	Member	4

**(C) Terms of Reference**

The Stakeholders Relationship 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 requests/ 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**

During the year under review, the Committee noted that a total of 11 Complaints were received from the investors and all of them were immediately resolved to the full satisfaction of the investors of the Company as a result of which there were no outstanding complaints at the end of the financial year 2013-14.

The Committee 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.

**3.5. Share Transfer Committee**

**(A) 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. 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 to transfer, transmission and dematerialization of shares.



**(B) Terms and Reference**

The role and terms of reference of the Share Transfer Committee is to give approval of request for transfer and transmission of physical shares, deletion of name in case of joint shareholder of physical Equity Shares of the Company and also to deals with the request of dematerialization & rematerialisation of shares lodged with the Company/ Registrar and Share Transfer Agent.

**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, 2013	26.09.2013 10:30 A.M.	Satyam Banquets 6, Bhera Enclave, Outer Ring Road, Paschim Vihar, New Delhi-110087	None
March 31, 2012	29.09.2012 10:30 A.M.		None
March 31, 2011	29.09.2011 10:30 A.M.		Alteration of the Articles of Association of the Company

During the year under review, the following special resolutions were passed through the process of Postal Ballot:

Date of Declaration of Postal Ballot Results	Description	Resolution Passed by
15.03.2014	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for enhancing the borrowing powers of the Board of Directors upto an aggregate amount of ₹350 Crores	Requisite majority
15.03.2014	Special Resolution under Section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors to mortgage and/or create charge, lien or hypothecation over the properties/assets of the Company upto a maximum ceiling as permitted under Section 180(1)(c) of the Companies Act, 2013, for borrowing by the Company, i.e. upto an amount of ₹350 Crores	Requisite majority

**5. DISCLOSURES**

**(A) Materially Significant Related Party Transactions**

Your Company has not entered into any transactions of material nature with any of its related parties that may have any potential conflict with interests of the Company. Suitable Disclosures as required by Accounting Standard-18 (Related Party Transactions) have been made in Annual Report.

**(B) Compliance**

The Company has complied with all the requirements of the Listing Agreement executed 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.
- **Nomination & Remuneration Committee:** The Board has constituted a Nomination & Remuneration Committee. A detailed note on Nomination & 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 annual report, financial results of the Company and other requisite information for the knowledge of the shareholders are also made available on the Company's website [www.bharatgroup.co.in](http://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.

**(F) CEO/ CFO Certification**

Certificate from Managing Director and Sr. Manager (Finance & Accounts) for the financial year ended on 31st March, 2014 is annexed at the end of this report.

**6. MEANS OF COMMUNICATION**

(a)	Information to Stock Exchanges and Newspapers Publicity	Quarterly, Half-Yearly & Annual Results of the Company are published in the newspapers in terms of Listing Agreement. These results are promptly submitted to Stock Exchange. Additionally, in strict compliance of Listing Agreement requirements, the Company has always promptly reported dates of various Board Meetings, General Meetings, Book Closures/ Record Date to the Stock Exchanges and also published the information pertaining thereto in a leading Financial daily for information of shareholders and also displayed on the Company's website <a href="http://www.bharatgroup.co.in">www.bharatgroup.co.in</a> .
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(b)	Company's Website	The Company regularly posts important information such as Quarterly/Annual Audited Financial results, Shareholding Pattern etc. on Company's website <a href="http://www.bharatgroup.co.in">www.bharatgroup.co.in</a> at the earliest.  The Company by way of press releases in leading financial newspapers also informs significant information about important developments to stakeholders.
(c)	NSE Electronic Application Processing System (NEAPS)	The Shareholding Pattern and Report on Corporate Governance for every quarter are filed electronically on NEAPS which is a web based application designed by National Stock Exchange of India Limited for corporates.
(d)	SEBI Complaints Redress Systems (SCORES)	The investors complaints are now processed in a centralized web based complaints redress system termed as SEBI Complaints Redress Systems (SCORES). The Action taken reports are submitted online by the Company and resolved to the satisfaction of the investor through SCORES.
(e)	Designated Exclusive E-mail ID	The Company has designated an E-mail ID <a href="mailto:investors.br1@bharatgroup.co.in">investors.br1@bharatgroup.co.in</a> for investor servicing.

## 7. GENERAL SHAREHOLDERS' INFORMATION

### (i) 25<sup>th</sup> Annual General Meeting

Date & Time	September 29, 2014, Monday, 12:30 P.M.
Venue	Hotel Regent Grand 2/6, East Patel Nagar, New Delhi -110008
Book Closure	September 22, 2014 to September 29, 2014

### (ii) Financial calendar : April to March every year

### (iii) Dividend

#### Unclaimed Dividend

Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, unclaimed dividend for the financial year 2007-08 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 dividend amount is lying unpaid with the Company alongwith the proposed date of transfer to the IEPF Account on the IEPF Portal, [www.iepf.gov.in](http://www.iepf.gov.in) and the same is also available at the Company's website [www.bharatgroup.co.in](http://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.

### (iv) Listing on Stock Exchange and Stock Code

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



**(v) Market Price Information**

Monthly High and Low of the shares traded at the National Stock Exchange of India Ltd. (NSE) during the financial year 2013-14, is as follows:

Month and Year	NSE Market Price Data		NSE [S&P Nifty] Indices	
	High (₹)	Low (₹)	High	Low
April'13	138.55	121.10	5962.30	5477.20
May'13	130.00	110.50	6229.45	5910.95
June'13	126.00	110.00	6011.00	5566.25
July'13	116.00	110.50	6093.35	5675.75
August'13	105.55	101.00	5808.50	5118.85
September'13	115.00	100.10	6142.50	5318.90
October'13	120.00	115.00	6309.05	5700.95
November'13	124.45	111.95	6342.95	5972.45
December'13	214.25	130.65	6415.25	6129.95
January'14	273.20	224.00	6358.30	6027.25
February'14	303.25	234.70	6282.70	5933.30
March'14	368.55	284.95	6730.05	6212.25

**(vi) Registrar and Share Transfer Agent (RTA):**

**M/s Link Intime India Pvt. Ltd.** having its office at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR, Naraina, New Delhi - 110028.

Tel. Nos.: 011-41410592-94, Fax No.: 011-41410591, E-mail: delhi@linkintime.co.in

**(vii) 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. Limited, 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 Share Transfer Committee.

In terms of Clause 47C of the Listing Agreement entered into between the Company & Stock Exchange, a practicing Company Secretary has been appointed by the Company to examine the records and processing of share transfers and for thereafter issuance of half yearly certificate which is sent to the Stock Exchanges. Also, in accordance with SEBI's requirement, a practicing Company Secretary has been appointed by the Company who on quarterly basis conducts Secretarial Audit for reconciliation of total issued share capital with depositories and in physical mode.

**Shareholding Pattern as on March 31, 2014**

Category of Shareholder	Number of Shares	% of Shareholding
<b>Total Promoter and Promoter Group Holding (A)</b>	<b>31,79,349</b>	<b>74.8304%</b>
<b>Public Shareholding</b>		
Bodies Corporate	5,68,587	13.3825%
Individuals	4,97,858	11.7178%
NRIs	471	0.0111%
Clearing Members	2,475	0.0582%
<b>Total Public Shareholding (B)</b>	<b>10,69,391</b>	<b>25.1696%</b>
<b>TOTAL (A+B)</b>	<b>42,48,740</b>	<b>100.0000%</b>





**(viii) Distribution of Shareholding as on March 31, 2014**

Shareholding of Nominal Value (₹)	No. of Shareholders	% to total Shareholders	No. of Shares	Share Amount (₹)	% of Shareholding
Up to 2,500	3,459	92.5113	3,59,252	35,92,520	8.4555
2,501 - 5,000	188	5.0281	73,890	7,38,900	1.7391
5,001 - 10,000	47	1.2570	35,656	3,56,560	0.8392
10,001 - 20,000	19	0.5082	27,927	2,79,270	0.6573
20,001 - 30,000	—	—	—	—	—
30,001 - 40,000	2	0.0535	7,800	78,000	0.1836
40,001 - 50,000	2	0.0535	8,214	82,140	0.1933
50,001 - 1,00,000	2	0.0535	12,163	1,21,630	0.2863
1,00,001 & above	20	0.5349	37,23,838	3,72,38,380	87.6457
<b>TOTAL</b>	<b>3,739</b>	<b>100.0000</b>	<b>42,48,740</b>	<b>4,24,87,400</b>	<b>100.0000</b>

**(ix) Dematerialization of shares**

The Company's shares are compulsorily traded in dematerialized form and through M/s. Link Intime India Pvt. Limited, the Registrar & Share Transfer Agent. We have established connectivity with both the Depositories in India viz. 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, 2014, 93.16% of the paid up equity share capital of the Company has been dematerialized.

**(x) Plants Location**

S. No.	Unit	Address
1	Unit - I	2 KM Stone, Madina-Mokhra Road, Village Mokhra, Distt. Rohtak - 124 022 (Haryana).
2	Unit - II	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 Nos.: 011-25727781 & 011-43661100  
E-mail ID: [investors.brl@bharatgroup.co.in](mailto:investors.brl@bharatgroup.co.in)

**(xii) Other Material Information**

In an effort to improve our services & 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 mode):** 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 mode. 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 mode 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 mode, 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 mode on the Stock Exchanges. For shareholder's convenience, the process for getting shares dematerialized is as follows:
- Shareholder shall submit original share certificate(s) along with De-materialization Request Form (DRF) to the Depository Participant (DP);
  - DP shall process the DRF, generate a Unique De-materialization Request No. (DRN) and forward the DRF alongwith the share certificate(s) 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 mode may get their shares dematerialized to enjoy paperless and easy trading of shares.

On behalf of the Board of Directors  
**For Bharat Rasayan Limited**

Sd/-  
**S. N. Gupta**

**Chairman & Managing Director**

**New Delhi**  
**August 13, 2014**



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

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In compliance with the Clause 49(I)(D)(ii) of the Listing Agreement entered into with the Stock Exchange, I hereby confirm that all the Company's Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2014.

**For Bharat Rasayan Limited**

**New Delhi  
April 1, 2014**

**Sd/-  
S. N. Gupta  
Chairman & Managing Director**

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**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

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**To the Members of  
BHARAT RASAYAN LIMITED**

We have examined the compliance of conditions of Corporate Governance by Bharat Rasayan Limited for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of 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 Directors & Management, that there were no transactions of material nature with the management for by relatives that may have potential conflict with the interest of the Company at large, 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  
May 30, 2014**

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



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## INDEPENDENT AUDITOR'S REPORT

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**To the Members of  
BHARAT RASAYAN LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of BHARAT RASAYAN LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the Directors as on March 31, 2014, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of Section 274(1)(g) of the Act.

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

**New Delhi**  
**May 30, 2014**

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



**ANNEXURE TO THE INDEPENDENT AUDITOR'S 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 during the year and the going concern status of the Company is not effected.
- ii. (a) According to the information furnished to us, physical verification of inventories has been conducted at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventories, and based on the information and explanations given to us discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the 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 Twelve 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 ₹2532.38 lacs. Repayment is as per the terms of the loan. The year-end balance of such loans including interest (Net of TDS) was ₹2517.51 lacs.
- 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. In respect of contracts or arrangements referred in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- a) The particulars of contracts or arrangements referred to Section 301 that need to be entered in the register maintained under the said section have been so entered.
- b) Where each of such transaction is in excess of ₹5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the said deposits.





- vii. In our opinion, the Internal Audit functions carried out for the year by Sh. Vineet Chhabra (ACMA), Manager (Costing) of the Company appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under Section 209(1)(d) of the Companies Act and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess were in arrears, as at 31.03.2014 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 31.03.2014. 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. In our opinion and according to the information and explanations given to us, the term loans have been applied on an overall basis for the purposes for which these were obtained.
- 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**  
**May 30, 2014**

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



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Note No.	As at 31.03.2014 (₹)		As at 31.03.2013 (₹)	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2.1	42,487,400		42,487,400	
(b) Reserves and Surplus	2.2	<u>779,316,135</u>	821,803,535	<u>582,824,745</u>	625,312,145
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	2.3	920,400,430		829,583,639	
(b) Deferred tax liabilities (Net)	2.4	73,401,289		59,357,816	
(c) Long-term provisions	2.5	<u>3,510,330</u>	997,312,049	<u>3,179,728</u>	892,121,183
<b>(3) Current Liabilities</b>					
(a) Short-term borrowings	2.6	511,844,585		481,922,685	
(b) Trade payables	2.7	374,253,407		192,106,026	
(c) Other current liabilities	2.8	361,164,002		263,035,885	
(d) Short-term provisions	2.9	<u>6,750,814</u>	1,254,012,808	<u>8,117,480</u>	945,182,076
<b>Total</b>			<u><b>3,073,128,392</b></u>		<u><b>2,462,615,404</b></u>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	2.10				
(i) Tangible assets		1,421,435,788		1,349,769,142	
(ii) Intangible assets		1,210,397		763,546	
(iii) Capital Work-in-Progress (Tangible)		<u>5,668,125</u>		<u>—</u>	
		1,428,314,310		1,350,532,688	
(b) Non-current investments	2.11	2,642,548		2,752,284	
(c) Long-term loans and advances	2.12	<u>6,242,086</u>	1,437,198,944	<u>7,062,147</u>	1,360,347,119
<b>(2) Current assets</b>					
(a) Inventories	2.13	674,291,101		372,587,359	
(b) Trade receivables	2.14	604,070,963		450,155,392	
(c) Cash and cash equivalents	2.15	48,954,031		43,821,724	
(d) Short-term loans and advances	2.16	284,573,892		222,321,127	
(e) Other current assets	2.17	<u>24,039,461</u>	1,635,929,448	<u>13,382,683</u>	1,102,268,285
<b>Total</b>			<u><b>3,073,128,392</b></u>		<u><b>2,462,615,404</b></u>

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

**Sd/-**  
**B. K. GOEL**  
Proprietor  
Membership No. 082081  
[Firm Regn. No. 016642N]

**Sd/-**  
**S. N. GUPTA**  
**M. P. GUPTA**  
**R. P. GUPTA**  
**SONALI SINGH**

*Chairman & Managing Director*  
*Whole Time Director*  
*Whole Time Director*  
*Company Secretary*

**New Delhi**  
**May 30, 2014**



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Particulars	Note No.	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
I. Revenue from operations	2.18	<b>3,613,804,526</b>	1,875,580,315
II. Other Income	2.19	<b>9,685,364</b>	6,067,273
III. <b>Total Revenue (I+II)</b>		<b>3,623,489,890</b>	1,881,647,588
IV. <b>Expenses</b>			
Cost of materials consumed	2.20	<b>2,563,366,594</b>	1,390,932,352
Purchase of Stock-in-Trade		—	—
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	<b>(212,538,277)</b>	(136,537,457)
Employee benefit expense	2.22	<b>237,800,797</b>	126,842,507
Financial costs	2.23	<b>147,196,797</b>	44,403,661
Depreciation & amortization expense	2.10	<b>178,338,733</b>	68,835,916
Other expenses	2.24	<b>385,356,597</b>	241,699,947
Total Expenses		<b>3,299,521,241</b>	1,736,176,926
V. <b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>323,968,649</b>	145,470,662
VI. Exceptional Items	2.25	<b>23,322,979</b>	4,361,839
VII. <b>Profit before tax</b>		<b>300,645,670</b>	141,108,823
VIII. <b>Tax expense</b>			
(1) Current tax		<b>85,139,994</b>	957,908
(2) Deferred tax		<b>14,043,473</b>	44,290,698
IX. <b>Profit for the period (VII-VIII)</b>		<b>201,462,203</b>	95,860,217
X. <b>Earning per equity share</b>			
(1) Basic		<b>47.42</b>	22.56
(2) Diluted		<b>47.42</b>	22.56

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

Sd/-

**B. K. GOEL**

Proprietor

Membership No. 082081

[Firm Regn. No. 016642N]

New Delhi

May 30, 2014

Sd/-

**S. N. GUPTA**

**M. P. GUPTA**

**R. P. GUPTA**

**SONALI SINGH**

Chairman & Managing Director

Whole Time Director

Whole Time Director

Company Secretary



**CASH FLOW STATEMENT PURSUANT TO LISTING AGREEMENTS**

	Year ended 31.03.2014 (₹ in lacs)	Year ended 31.03.2013 (₹ in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before income tax & extraordinary items	3006.46	1411.09
<b>Adjustments for</b>		
Depreciation	1790.88	696.16
(Profit)/Loss on sale of fixed assets	0.03	0.99
Interest received	(31.43)	(10.03)
Interest paid	1471.97	444.04
(Profit)/Loss of sale of Investments (Profit)	—	(0.48)
<b>Operating Profit before working Capital Changes</b>	<b>6237.90</b>	<b>2541.77</b>
<b>Adjustments for</b>		
(Increase)/Decrease in Sundry Debtors	(1539.16)	(1497.82)
(Increase)/Decrease in Inventories	(3017.04)	(2055.68)
(Increase)/Decrease in Loans & Advances	(720.89)	(938.03)
(Increase)/Decrease in Current Liabilities and Provision	2809.01	1429.96
<b>Cash generated from operations</b>	<b>3769.82</b>	<b>(519.80)</b>
Direct Taxes Paid	(917.72)	(235.63)
<b>Net cash from operating activities</b>	<b>2852.10</b>	<b>(755.43)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Investment in Shares & Units	1.10	72.26
Addition to fixed assets (Project)	(2569.32)	(7779.44)
Proceeds from sale of fixed assets	0.59	28.13
Interest received	31.43	10.03
<b>Net Cash used in Investing Activities</b>	<b>(2536.20)</b>	<b>(7669.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceed/Repayment of borrowings	1207.39	9205.12
Dividend paid	—	(50.98)
Dividend Distribution tax paid	—	(8.27)
Interest paid	(1471.97)	(444.04)
<b>Net Cash used in financing activities</b>	<b>(264.58)</b>	<b>8701.83</b>
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>51.32</b>	<b>277.38</b>
<b>Cash and cash equivalents as at 01.04.2013</b>	<b>438.22</b>	<b>160.84</b>
<b>Cash and cash equivalents as at 31.03.2014</b>	<b>489.54</b>	<b>438.22</b>

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	89.00	312.77
Margin Deposits	400.54	125.45
	<b>489.54</b>	<b>438.22</b>

Annexure to our report of even date

FOR & ON BEHALF OF THE BOARD

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

**Sd/-**  
**B. K. GOEL**  
Proprietor  
Membership No. 082081  
[Firm Regn. No. 016642N]  
New Delhi  
May 30, 2014

**Sd/-**  
**S. N. GUPTA**  
**M. P. GUPTA**  
**R. P. GUPTA**  
**SONALI SINGH**

Chairman & Managing Director  
Whole Time Director  
Whole Time Director  
Company Secretary



## **NOTE NO. 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 31.03.2014 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. 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 of impairment of any assets. The Company foresees 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 and other foreign currency commitments / foreign currency in hand 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. Investments in gratuity funds held with Life Insurance Corporation of India and Reliance Life Insurance Co. Ltd. are shown at net fund value as on date after netting off from provisions made as per actuarial valuation against its estimated liability. Excess of fund value ₹17,66,148/- as on 31.03.2014 over its total liability towards Gratuity Provision as per actuarial valuation is shown as long term Investment. The preceding year figures without such netting also regrouped accordingly.

### **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 units are continuous processing units and are located at a remote areas i.e. far away from local markets. It needs uninterrupted 24 hours operations of its plants and hence all major spare parts, accessories, components for its huge plants 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 year after year.

### **1.9 Revenue Recognition**

Sales have been accounted for exclusive of sales tax 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 and stock transfer.

### **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 expenses are recognized at the present value of the amounts payable determined using actuarial valuation techniques.

### **1.11 Borrowing Costs**

The Company incurred no borrowing cost attributable to the acquisition or construction of any qualifying assets. A qualifying assets 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 cannot 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-technical, formulations and its intermediates, hence constitutes one single segment.

### **1.16 Prior Period items**

The Company has incurred expenses to the tune of ₹ 7,29,682/- which pertains to prior period with a corresponding similar figure of income of ₹ 4,93,773/- having a cumulative negative impact on current years profitability of the Company by ₹ 2,35,909/-.





	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
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**NOTE NO. - 2.1**

**SHARE CAPITAL**

**Authorised Share Capital**

2,00,00,000 Equity Shares of ₹ 10/- each	<b>200,000,000</b>	200,000,000
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**Issued, Subscribed and Paid-Up Capital**

42,48,740 Equity Shares of ₹ 10/- each fully Paid-Up	<b>42,487,400</b>	42,487,400
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**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 Equity 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. 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	1,028,631	24.21%	1,028,631	24.21%
M/s. S.N.Gupta (HUF)	359,200	8.45%	359,200	8.45%
Shri Mahabir Prasad Gupta	422,800	9.95%	368,000	8.66%
Shri Rajender Prasad Gupta	300,344	7.07%	300,344	7.07%

\* Company has issued only Equity shares.

**NOTE NO. - 2.2**

**RESERVES & SURPLUS**

**(A) General Reserve**

- As at commencement of the year	<b>356,516,577</b>	351,516,577
- Transferred from Statement of Profit and Loss	—	5,000,000
<b>Sub-Total (A)</b>	<b>356,516,577</b>	356,516,577

**(B) Surplus in Statement of Profit and Loss**

- As at commencement of the year	<b>226,308,168</b>	135,348,107
- Surplus in Statement of Profit & Loss for the year	<b>201,462,203</b>	427,770,371
<b>Less:</b>		95,860,217
Transfer to General Reserve	—	(5,000,000)
Proposed Dividend	<b>4,248,740</b>	—
Dividend Distribution Tax on Proposed Dividend	<b>722,073</b>	—
Income Tax / MAT Credit	—	99,844
	<b>4,970,813</b>	(4,900,156)
Balance as at end of the year	<b>Sub-Total (B)</b>	<b>422,799,558</b>
	<b>Total (A+B)</b>	<b>779,316,135</b>
		582,824,745



	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
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**NOTE NO. - 2.3**

**LONG-TERM BORROWINGS**

**A) Secured Loans**

**Long Term Loans - From Banks**

i) <b>Rupee Term Loan - State Bank of India</b>	<b>243,750,000</b>		<b>308,750,000</b>
(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)			
ii) <b>ECB Loan - Axis Bank Limited</b>			
[USD 40 Lacs (Prev. Year USD 50 Lacs) Total sanctioned ECB -TL was \$ 50.00 Lacs which is repayable in 20 quarterly installments of \$2.50 Lacs each, starting from 04.04.2013]			
	<b>240,400,000</b>		<b>272,050,000</b>
iii) <b>Corporate Loan - State Bank of India</b>			
(Sanctioned Corporate Loan is ₹15.00 Crore which is repayable in 16 quarterly installments of ₹0.9375 Crore each, starting from 31.03.2014)			
	<b>140,625,000</b>		<b>150,000,000</b>
	<b>624,775,000</b>		<b>730,800,000</b>
INSTALMENTS OF LONG TERM DEBTS	<b>(162,600,000)</b>	<b>462,175,000</b>	<b>(128,785,000)</b>
			<b>602,015,000</b>
<b>B) Unsecured Loans</b>			
<b>Long Term Loans - Others</b>			
i) From Directors & Body Corporates	<b>445,000,000</b>		<b>220,000,000</b>
ii) Security Deposits	<b>13,225,430</b>	<b>458,225,430</b>	<b>7,568,639</b>
		<b>920,400,430</b>	<b>227,568,639</b>
			<b>829,583,639</b>

**NOTE NO. - 2.4**

**DEFERRED TAX LIABILITIES (NET)**

(Net Liability due to timing difference)

<b>73,401,289</b>	<b>59,357,816</b>
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As per Accounting Standard AS-22 on Accounting for taxes on income, the Company has recorded the cumulative net deferred tax liability up to 31.03.2013 of ₹ 5,93,57,816/-. For the current year the Company has recorded the Cumulative Net Deferred Tax Liability of ₹ 7,34,01,289/- and the difference of ₹1,40,43,473/- has been charged to Statement of Profit & Loss.

**Computation of Deferred Tax Liability/Assets**

Difference in Tax and Book Depreciation-WDV	<b>223,697,619</b>	<b>214,321,197</b>
Less : Bonus Payable Disallowed U/s 43 B	<b>3,456,187</b>	<b>2,824,166</b>
: Net disallowed Amalgamation expenses	<b>—</b>	<b>386,386</b>
: Leave Encashment Payable disallowed U/s 43B	<b>4,291,774</b>	<b>3,666,490</b>
: Unabsorbed Depreciation	<b>—</b>	<b>24,385,124</b>
	<b>215,949,658</b>	<b>183,059,031</b>
Tax on above difference	<b>73,401,289</b>	<b>59,357,816</b>
Less: Deferred Tax Liability 31.03.2013	<b>59,357,816</b>	<b>15,067,118</b>
<b>Deferred Tax (Assets)/Liability for the Year</b>	<b>14,043,473</b>	<b>44,290,698</b>



	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
<b>NOTE NO. - 2.5</b>		
<b>LONG TERM PROVISIONS</b>		
For Employees Benefit (Leave Encashment)	3,510,330	3,179,728
Provision for Gratuity	11,185,970	14,696,300
Contribution/investment in Group Gratuity Funds		9,455,111
Life Insurance Corporation of India & Reliance Life Insurance Co. Ltd.		12,634,839
	(11,185,970)	(9,455,111)
	<u>3,510,330</u>	<u>3,179,728</u>
<b>1) Employees' Benefits (on the basis of actuarial valuation)</b>		
<i>Leave Encashment and Group Gratuity</i>		
<b>i) Current (Short Term)</b>		
- Leave Encashment	781,444	486,762
- Gratuity	(1,134,792)	(353,348)
		503,589
<b>ii) Non Current (Long Term)</b>		
- Leave Encashment	3,510,330	3,179,728
- Gratuity	11,185,970	14,696,300
		9,455,111
Total	<u>14,342,952</u>	<u>13,625,190</u>
<b>2) Retirement Benefits</b> - 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.		
<b>NOTE NO. - 2.6</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>A) Secured Loans</b>		
<i>Short Term Loans - From Banks</i>		
*Bills Discount, Buyers' Credit and others	150,974,970	171,977,177
*Cash Credit Accounts	296,913,177	447,888,147
		292,287,378
(*Charge on Current and Non-Current Assets of factories)		464,264,555
<b>B) Unsecured Loans</b>		
<i>Short Term Loans - Others</i>		
From related parties	60,624,009	15,741,428
Inter Corporate Deposits	3,332,429	63,956,438
		1,916,702
	<u>511,844,585</u>	<u>17,658,130</u>
		481,922,685
<b>NOTE NO. - 2.7</b>		
<b>TRADE PAYABLES</b>		
Trade Creditors	<u>374,253,407</u>	<u>192,106,026</u>
<b>NOTE NO. - 2.8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Expenses Payable	51,368,357	32,378,668
Unclaimed Dividend	975,273	979,273
Statutory Liabilities	8,903,505	5,968,149
Other Payables	299,916,867	223,709,795
	<u>361,164,002</u>	<u>263,035,885</u>
<b>NOTE NO. - 2.9</b>		
<b>SHORT TERM PROVISIONS</b>		
For Taxation	998,557	7,630,718
For Dividend Distribution Tax	722,073	—
For Dividend	4,248,740	—
For Leave Encashment	781,444	486,762
For Gratuity	1,134,792	503,589
Investment in Gratuity Funds	(1,134,792)	(503,589)
	<u>6,750,814</u>	<u>8,117,480</u>



**NOTE NO. - 2.10**  
**FIXED ASSETS**

(in ₹)

Particulars	Gross Block (At Cost)					Depreciation				Net Block		
	As at 01.04.13	Additions	Sales	P & L	Adjust- ment	As at 31.03.14	As on 01.04.13	For the Year	Adjust- ment	As on 31.03.14	As at 31.03.14	As at 31.03.13
<b>A) <u>Tangible Assets</u></b>												
Land	95,402,555	3,906,730	—	—	—	99,309,285	—	—	—	—	99,309,285	95,402,555
Building	558,709,511	83,464,689	—	—	—	642,174,200	32,758,882	55,117,981	—	87,876,863	554,297,337	525,950,629
Plant & Machinery	908,570,077	155,684,919	35,000	—	—	1,064,219,996	194,344,266	119,835,340	—	314,179,606	750,040,390	714,225,811
Furniture & Fixtures	6,370,668	2,024,089	—	—	—	8,394,757	2,860,489	845,825	—	3,706,314	4,688,443	3,510,179
Office Equipments	3,948,040	1,785,350	5,000	—	—	5,728,390	1,938,313	403,765	—	2,342,078	3,386,312	2,009,727
Computer Hardwares	7,820,312	1,021,634	3,810	—	—	8,838,136	6,430,086	761,755	—	7,191,841	1,646,295	1,390,226
Vehicles	4,789,956	2,093,448	12,000	3,000	27,741	6,840,663	2,348,762	952,915	27,741	3,273,936	3,566,727	2,441,194
R&D Equipments	7,231,207	411,713	—	—	—	7,642,920	2,392,386	749,535	—	3,141,921	4,500,999	4,838,821
<b>Total-A</b>	<b>1,592,842,326</b>	<b>250,392,572</b>	<b>55,810</b>	<b>3,000</b>	<b>27,741</b>	<b>1,843,148,347</b>	<b>243,073,184</b>	<b>178,667,116</b>	<b>27,741</b>	<b>421,712,559</b>	<b>1,421,435,788</b>	<b>1,349,769,142</b>
<b>B) <u>Intangible Assets</u></b>												
Computer Softwares	1,843,104	868,003	—	—	—	2,711,107	1,079,558	421,152	—	1,500,710	1,210,397	763,546
<b>Total-B</b>	<b>1,843,104</b>	<b>868,003</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,711,107</b>	<b>1,079,558</b>	<b>421,152</b>	<b>—</b>	<b>1,500,710</b>	<b>1,210,397</b>	<b>763,546</b>
C) Capital Work-in-Progress (Tangible)												
	—	5,668,125	—	—	—	5,668,125	—	—	—	—	5,668,125	—
<b>Total-C</b>	<b>—</b>	<b>5,668,125</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,668,125</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,668,125</b>	<b>—</b>
<b>Grand</b>												
<b>Total (A+B+C)</b>	<b>1,594,685,430</b>	<b>256,928,700</b>	<b>55,810</b>	<b>3,000</b>	<b>27,741</b>	<b>1,851,527,579</b>	<b>244,152,742</b>	<b>179,088,268</b>	<b>27,741</b>	<b>423,213,269</b>	<b>1,428,314,310</b>	<b>1,350,532,688</b>
Previous Year	825,982,553	777,943,942	2,813,155	98,863	6,329,047	1,594,685,430	180,865,693	69,616,096	6,329,047	244,152,742	1,350,532,688	645,116,860

- Depreciation has been provided for on written down value method as per Schedule XIV of the Companies Act, 1956.
- 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 foresees on such impairment indication as on the balance sheet date.
- Land includes leasehold lands by GIDC (Gujarat): (i) Factory land located at Dahej (Gujarat) valued ₹7,43,16,189/- (lease period starts from 11.08.2010 and is valid till 99 years); and (ii) Residential Plot at Atali, Dahej (Gujarat), valued ₹78,49,604/- (lease period for 99 years).



	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
<b>NOTE NO. - 2.11</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Long Term Investment</b>		
<b>Investment in unquoted Equity Instruments - at Cost</b>		
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
c) National Saving Certificates	1,000	1,000
d) Contribution/Investment in Group Gratuity Funds (NET)		
- in Life Insurance Corporation of India	13,050,419	10,887,701
- in Reliance Life Insurance Co. Ltd.	1,036,491	946,883
	14,086,910	11,834,584
Less : Long Term Gratuity Liability	11,185,970	9,455,111
: Short Term Gratuity Liability	1,134,792	503,589
	1,766,148	1,875,884
	2,642,548	2,752,284
<b>NOTE NO. - 2.12</b>		
<b>LONG-TERM LOANS &amp; ADVANCES</b>		
Security Deposit (Unsecured, Considered Good)	6,242,086	7,062,147
<b>NOTE NO. - 2.13</b>		
<b>INVENTORIES</b>		
Raw Materials and others	215,468,771	126,303,306
Work-in-Progress	158,609,905	129,231,243
Finished Goods	300,212,425	117,052,810
	674,291,101	372,587,359
<b>NOTE NO. - 2.14</b>		
<b>TRADE RECEIVABLES</b>		
<u>Debtors outstanding for a period exceeding six months</u>		
- Considered Good	1,304,671	14,150,514
<u>Other Debtors</u>		
- Considered Good	602,766,292	436,004,878
	604,070,963	450,155,392
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.		
<b>NOTE NO. - 2.15</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	429,134	902,313
<u>Balance with Scheduled Banks</u>		
- In Current Accounts	7,495,347	29,394,936
- In Fixed Deposit Accounts (Margin Money)	40,054,277	12,545,202
- In Dividend Accounts	975,273	979,273
	48,524,897	42,919,411
	48,954,031	43,821,724



	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
<b>NOTE NO. - 2.16</b>		
<b>SHORT-TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured Advances</b>		
Service Tax, VAT & Income Tax	28,862,441	60,449,203
Export Incentives Receivables	10,084,131	10,926,917
Central Excise and Custom Duties	181,276,180	117,557,604
Prepaid Expenses	4,273,346	2,537,503
Advance for Capital Goods & Services	21,522,129	18,224,962
Other Receivables	38,555,665	12,624,938
	<u>284,573,892</u>	<u>222,321,127</u>
<b>NOTE NO. - 2.17</b>		
<b>OTHER CURRENT ASSETS</b>		
Engineering Spares & other Stores	<u>24,039,461</u>	<u>13,382,683</u>

	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
<b>NOTE NO. - 2.18</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sales/Income from operation</b>		
Gross Sales	3,859,585,941	2,012,738,173
Less : Excise Duty	<u>300,864,307</u>	<u>159,633,645</u>
Net Sales	3,558,721,634	1,853,104,528
Job Work Income	<u>26,429,779</u>	<u>2,544,629</u>
	3,585,151,413	1,855,649,157
<b>Other Operating Income</b>		
Export Incentives	28,653,113	19,931,158
	<u>3,613,804,526</u>	<u>1,875,580,315</u>

<b>NOTE NO. - 2.19</b>		
<b>OTHER INCOME</b>		
Bad Debts Recovered	1,500,000	1,266,849
Exchange Difference (Net)	—	3,746,181
Interest received	3,143,406	1,002,712
Rental Charges of Cylinders	—	4,000
Sales Tax Refund	5,041,958	—
Short Term Capital Gain (Mutual Funds)	—	47,531
	<u>9,685,364</u>	<u>6,067,273</u>



	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
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**NOTE NO. - 2.20**

**COST OF MATERIALS CONSUMED**

**Raw Material (RM) Consumed**

Opening Stock: Raw Materials & others	126,303,306	57,272,897	
Purchases: Raw Materials & others	<u>2,652,532,059</u>	<u>2,778,835,365</u>	<u>1,459,962,761</u>
Less : Closing Stock: Raw Materials & others	<u>215,468,771</u>		<u>126,303,306</u>
	<u>2,563,366,594</u>		<u>1,390,932,352</u>

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

**NOTE NO. - 2.21**

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

Opening Stock

Finished Goods	117,052,810	42,070,446	
Stock-in-Process	<u>129,231,243</u>	<u>246,284,053</u>	<u>67,676,150</u>
			109,746,596

Less: Closing Stock

Finished Goods	300,212,425	117,052,810	
Stock-in-Process	<u>158,609,905</u>	<u>458,822,330</u>	<u>129,231,243</u>
(Increase)/Decrease in Stock		<u>(212,538,277)</u>	<u>(136,537,457)</u>

**NOTE NO. - 2.22**

**EMPLOYEES BENEFIT EXPENSE**

Salary, Wages & Bonus	177,531,301	96,413,703
Provision for Leave Encashment	1,717,675	2,673,823
Directors' Remuneration	33,405,074	15,678,758
Diwali Expenses	996,814	811,848
Premium for Group Gratuity	2,941,773	625,111
Employer's contribution to Provident Fund, ESI, LWF	5,328,714	3,583,903
Staff and Labour Welfare Expenses	7,546,894	2,818,151
Staff Bus Expenses	8,332,552	4,237,210
	<u>237,800,797</u>	<u>126,842,507</u>

**NOTE NO. - 2.23**

**FINANCIAL COSTS**

Interest on Working Capital Loan	24,475,627	22,589,288
Interest on Others	<u>122,721,170</u>	<u>21,814,373</u>
	<u>147,196,797</u>	<u>44,403,661</u>





	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
<b>NOTE NO. - 2.24</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Environment, Health & Safety Expenses	15,410,713	20,068,597
Factory & Machinery Maintenance	70,722,777	46,106,884
Freight & Cartage Inward	38,948,471	22,192,589
Job Work Expenses	728,080	1,168,857
Laboratory Expenses	3,247,722	2,222,552
Power & Electricity	97,529,925	55,702,056
Testing Expenses	599,127	56,046
	<b>227,186,815</b>	<b>147,517,581</b>
<b>Administrative, Operative &amp; Selling Expenses</b>		
Advertisement & Publicity	3,183,343	1,980,341
AGM Expenses	15,200	12,860
Analysis / Registration Expenses	7,840,200	6,509,170
Bank Charges	9,992,016	5,230,906
Book Periodicals & Subscription	1,024,488	1,008,340
Building Repairs & Maintenance	3,809,141	2,841,970
Business Promotion Expenses	1,393,103	1,923,094
Cash Discount	9,954,201	15,003,378
Commission paid	14,192,967	4,006,375
Computer Expenses	610,662	288,276
Conveyance Expenses	2,358,980	1,489,880
Discounting Charges	8,458,593	8,231,840
Electricity Charges	448,516	1,369,581
Exchange Difference (Net)	18,617,028	—
Filing Fees	16,500	13,000
Freight & Forwarding Outward	26,436,193	10,332,227
General / Misc. Expenses	1,961,563	482,851
Hire Charges	5,394,913	4,024,226
Insurance Charges	3,831,230	2,089,020
Legal & Professional Fee	8,994,071	6,182,739
Listing Fee	38,849	35,064
Office Expenses	981,209	1,272,476
Payment to Auditors	690,000	545,000
Postage & Telephone expenses	2,619,597	2,242,719
Printing & Stationery expenses	1,789,684	1,171,997
R & D Expenses*	5,666,681	6,084,459
Rates & Taxes	4,705,601	982,457
Rebates & Short / Excess	571,139	39,739
Rent paid	1,301,675	354,900
Sales Tax paid	358,530	209,054
Security Expenses	4,834,961	2,951,056
Service Tax Paid	92,949	183,611
Tour & Travelling Expenses	5,050,716	4,454,716
Vehicle Running & Maintenance	935,283	635,044
	<b>158,169,782</b>	<b>94,182,366</b>
	<b>385,356,597</b>	<b>241,699,947</b>



**\*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 ₹60,78,394/- (Revenue Expense of ₹56,66,681/- and Capital Expenditure of ₹4,11,713/-) are eligible for weighted deduction U/S 35(2AB) of the Income Tax Act, 1961.

	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
<b>NOTE NO. - 2.25</b>		
<b>EXCEPTIONAL ITEMS</b>		
Contribution for Research Activities U/s 35(1)(ii)	20,000,000	—
Contribution U/s 35AC	—	1,600,000
Donations	1,625,000	1,100,000
Loss-in-transit - Export Consignment	1,694,979	1,562,976
Loss on sale of Fixed Assets	3,000	98,863
	<b>23,322,979</b>	<b>4,361,839</b>

**Note:** Loss in transit-Export Consignment : The Company had exported goods to China in August, 2012. The Cargo carrying the goods met wild fire in transit and the vessel carrying the goods was forced to detain in transit. The exported goods of the Company in the vessel however could be saved from fire which could not land the port of destination in time. The same could land the port of destination only on 17.07.2013. The difference of ₹15,62,976/- in market rates thereof on 31.03.2013 over the billing price was written off in the preceding year. However further slide in market rates (Keeping in view the deterioration of quality in transit of the landed goods) ₹16,94,979/- (Being excess of market rates as on 31.03.2013 over mutually agreed rates by the consignee for its disposal have been written off during the year under Exceptional Items.

**NOTE NO. - 2.26**

**DETAILS OF PAYMENT TO AUDITORS**

To Statutory Auditors

- as Statutory Audit	375,000	250,000
- as Advisory services	190,000	565,000
To Cost Auditors	125,000	170,000
	<b>690,000</b>	<b>420,000</b>
		<b>125,000</b>
		<b>545,000</b>



## 2.27 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR IN RESPECT OF :

		<u>As at 31.03.2014</u> <u>(₹ in Lacs)</u>
i)	Guarantees given to:	
	- Addl. Excise & Taxation Commissioner, Panchkula	5.00
	- Dakshin Gujarat Vij Company Limited, Dahej, Gujarat	80.83
	- Gujarat Pollution Control Board, Dahej, Gujarat	12.00
		97.83
ii)	Surety given to Dy. Excise & Taxation Commissioner (S.T.Rohtak) and Customs and Central Excise Commissioner, Jammu (J&K)	258.16

**2.28** The Company is liable to pay income tax of ₹ 8,51,39,994/- under normal tax provisions of Act for the year. The Company has set off MAT of ₹2,08,76,943/- from the brought forwarded MAT balance of ₹2,85,40,540/- and carried forward for set off for next years ₹76,63,597/- under the head Short Term Loans and Advances. The same has therefore not considered for current taxes.

## 2.29 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)	Shri 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
viii)	Smt. Savita Gupta	Wife of Shri M.P. Gupta
ix)	Shri Vikas Gupta	Son of Shri M.P. Gupta
x)	Smt. Manju Gupta	Wife of Shri R.P. Gupta
xi)	Shri Sahil Gupta	Son of Shri R.P. 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
- vi) S.N.Gupta & Sons (HUF)
- vii) M.P. Gupta & Sons HUF
- viii) R.P. Gupta & Sons HUF



**c) Transactions with Related Parties**

(in ₹)

Name of Related Party	Nature of Transactions	Amount Credited/Paid	
		Year ended 31.03.2014	Year ended 31.03.2013
Shri S.N.Gupta	Managerial Remuneration	16,044,075	6,561,061
	Loan taken	98,960,000	8,485,000
	Loan repaid	4,740,000	10,425,000
	Interest on loan	3,754,646	1,947,088
Shri M.P.Gupta	Managerial Remuneration	7,292,761	2,982,301
	Loan taken	72,300,000	12,000,000
	Loan repaid	17,000,000	23,200,000
	Interest on loan	2,772,651	691,394
Shri R.P.Gupta	Managerial Remuneration	5,843,570	2,395,200
	Loan taken	25,500,000	—
	Interest on loan	431,671	—
Shri Ajay Gupta	Managerial Remuneration	2,285,216	2,071,284
Shri V.K.Sharma	Managerial Remuneration	1,939,452	1,668,912
B R Agrotech Limited	Sales	241,073,222	95,994,768
	Material Purchased	—	144,388
Bharat Insecticides limited	Material purchased	19,800,836	12,343,356
	Rent paid	242,400	245,400
	Sales	403,568,601	161,304,543
Synochem Organics Pvt. Limited	Sales (DEPB)	357,428	1,095,275
	Material Purchased	—	488,093
Smt. Sweety Gupta	Loan received	140,000	150,000
	Loan repaid	630,000	135,000
	Interest paid on Loan	1,090,335	1,152,651
Shri Dinesh Gupta	Loan received	180,000	1,560,000
	Loan Repaid	1,597,058	150,000
	Interest Paid on Loan	49,072	170,658
M.P.Gupta & Sons (HUF)	Loan received	4,100,000	—
	Interest Paid on Loan	67,003	—
Smt. Savita Gupta	Loan received	6,500,000	—
	Interest Paid on Loan	97,315	—
Mr. Vikas Gupta	Loan received	15,000,000	—
	Interest Paid on Loan	266,301	—
R.P.Gupta & Sons (HUF)	Loan received	5,500,000	—
	Interest Paid on Loan	56,055	—
Smt. Manju Gupta	Loan received	6,000,000	—
	Interest Paid on Loan	90,740	—
Mr. Sahil Gupta	Loan received	3,000,000	—
	Interest Paid on Loan	48,658	—
S.N. Gupta & Sons (HUF)	Loan Received	840,000	620,000
	Loan Repaid	945,000	20,000
	Interest Paid on Loan	55,256	58,094
	Rent paid	1,200,000	1,200,000

Details of outstanding balances as at March 31, 2014 and March 31, 2013:

(in ₹)

<b>Name of Related Party</b>	<b>Year ended 31.03.2014</b>	<b>Year ended 31.03.2013</b>
Shri S.N.Gupta	<b>112,063,344</b>	14,464,163
Shri M.P.Gupta	<b>62,671,234</b>	4,875,848
Smt. Sweety Gupta	<b>9,676,841</b>	9,185,540
Shri Dinesh Gupta	<b>190,699</b>	1,563,592
S.N.Gupta & Sons (HUF)	<b>597,015</b>	652,285
M.P.Gupta & Sons (HUF)	<b>4,160,303</b>	—
Smt. Savita Gupta	<b>6,587,583</b>	—
Mr. Vikas Gupta	<b>15,239,671</b>	—
Shri R.P.Gupta	<b>25,888,504</b>	—
R.P.Gupta & Sons (HUF)	<b>5,550,449</b>	—
Smt. Manju Gupta	<b>6,081,666</b>	—
Mr. Sahil Gupta	<b>3,043,792</b>	—
B R Agrotech Limited	<b>52,190,580</b>	(12,259)
Bharat Insecticides Limited	<b>29,105,589</b>	—

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

**2.30** 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 ₹ 47.42 (Last Year ₹ 22.56).

# **Bharat RASAYAN LIMITED**

Regd. Office: 1501, Vikram Tower, Rajendra Place, New Delhi - 110 008  
Phone Nos.: 011-41538383 & 011-43661111 Fax Nos.: 011-25727781 & 011-43661100  
Email-ID: [investors.br@bharatgroup.co.in](mailto:investors.br@bharatgroup.co.in) Website: [www.bharatgroup.co.in](http://www.bharatgroup.co.in)  
CIN : L24119DL1989PLC036264

## **PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./ DP ID & Client ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

- Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- Name : \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Monday, the 29th day of September, 2014 at 12:30 P.M. at Hotel Regent Grand, 2/6, East Patel Nagar, New Delhi -110008, and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description	No. of Shares held by me/us	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
	<b>ORDINARY BUSINESS</b>			
1.	Adoption of Accounts			
2.	Declaration of Dividend			
3.	Re-appointment of Shri V.K. Sharma as a Director			
4.	Appointment of Auditors			
	<b>SPECIAL BUSINESS</b>			
5.	Appointment of Mrs. Sujata Agarwal as an Independent Director			

Item No.	Description	No. of Shares held by me/us	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
6.	Appointment of Shri Amit Gupta as an Independent Director			
7.	Appointment of Shri Ram Kanwar as an Independent Director			
8.	Appointment of Shri Pankaj Gupta as an Independent Director			
9.	Contribution to Charitable & other funds under Section 181 of the Companies Act, 2013			
10.	Amendment in Articles of Association of the Company			
11.	Re-appointment of Shri S.N.Gupta as Chairman and Managing Director of the Company			
12.	Re-appointment of Shri M.P.Gupta as Whole-Time Director of the Company			
13.	Re-appointment of Shri R.P.Gupta as Whole-Time Director of the Company			
14.	Re-appointment of Shri V.K. Sharma as Executive Director of the Company			
15.	Revision in remuneration of Shri V.K. Sharma, Executive Director of the Company			
16.	Enhancement of Borrowing Powers			
17.	Creation of Charge			

Signed this ..... day of .....2014.

Please  
affix  
Revenue  
Stamp

(Signature of shareholder)

Signature of Proxy holder(s) .....

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the **FOR/AGAINST** column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he or she may deem appropriate.



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CIN : L24119DL1989PLC036264

### **ATTENDANCE SLIP**

**25th ANNUAL GENERAL MEETING**  
**MONDAY, 29th SEPTEMBER, 2014, at 12:30 P.M. at**  
**HOTEL REGENT GRAND, 2/6, EAST PATEL NAGAR, NEW DELHI -110008**

Name of the Shareholder/Proxy*	
Folio No./DP ID & Client ID*	
Address	
No. of shares held	

I/ We hereby record my/ our presence at the Annual General Meeting of the Company.

Place :

Dated :

\_\_\_\_\_  
(Signature of the shareholder/proxy\*  
to be signed at the attendance counter)

\*Delete whichever is not applicable

#### **Note :**

Members are requested to bring copy of Annual Report along with them to the Annual General Meeting. Please complete this Attendance Slip and handover at the entrance gate. Only Members or their Proxies are entitled to be present at the Meeting.

**Registered Post**

*If undelivered, please return to :*

**BHARAT RASAYAN LIMITED**

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