

NINETEENTH ANNUAL REPORT 2011-2012



Bhagiradha Chemicals & Industries Limited



BOARD OF DIRECTORS

D.Ranga Raju	Chairman
K.S.Raju	Director
Sudhakar Kudva	Director
S.Chandrasekhar	Director
D.Sadasivudu	Executive Director

19th Annual General Meeting

Day	: Wednesday
Date	: August 8th, 2012
Time	: 14:00 Hrs.
Venue	: Hotel Green Park, Greenlands, Ameerpet, Hyderabad 500016

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BANKERS

State Bank of India
AXIS Bank Limited

AUDITORS

R. Kankaria & Uttam Singhi
Chartered Accountants
Hyderabad - 500 082

COST AUDITORS

Sagar & Associates,
Cost Accountants,
Hyderabad - 500 001

REGISTERED OFFICE

8-2-269/S/3/A, Plot No.3
Sagar Society, Road No.2
Banjara Hills, Hyderabad - 500 034
Tel. : (040) 23608083
Fax : (040) 23540444
Email : info@bhagirad.com

FACTORY

Cheruvukommupalem village
Yerajarla Road, Ongole Mandal
Prakasam District, Andhra Pradesh

REGISTRAR & SHARE TRANSFER AGENT

XL Softech Systems Limited
Plot No.3, Sagar Society
Road No.2, Banjara Hills
Hyderabad - 500 034
Tel. : 040 23545913
Fax : 040 23553214
Email : xlfield@rediffmail.com



NOTICE

NOTICE is hereby given that the **Nineteenth Annual General Meeting** of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Wednesday the 8th day of August, 2012 at 14:00 hrs at Hotel Green Park, Greenlands, Ameerpet, Hyderabad 500016** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and statement of Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon of the company.
2. To appoint a director in the place of Sri K. S. Raju who retires by rotation in terms of Article 143 of the Articles of Association and being eligible, offers himself for re-appointment.
3. To reappoint M/s. R. Kankaria & Uttam Singhi, Chartered Accountants, bearing ICAI Registration No.000442S as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and 311 read together with Schedule XIII of the Companies Act, 1956, and subject to such other approvals as may be necessary, the company hereby accords its consent to appoint Sri S. Chandrasekhar as Managing Director of the company for a period of three years w.e.f. 01-06-2012 and payment of remuneration and perquisites as given below:

1. **Salary** **Rs. 3,00,000/- per month**

2. **Perquisites**

- i) Contribution to provident fund as per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952.
- ii) Gratuity as per the rules of the company.
- iii) Reimbursement of actual medical expenses (including insurance premium for medical and hospitalization policy).
- iv) Insurance premium, car facility and telephone facility, and

3. Commission of 1% of net profit

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year Sri S. Chandrasekhar, Managing Director be paid a monthly remuneration not exceeding ₹ 3,00,000/- apart from contributions made to the provident fund and gratuity as minimum remuneration in accordance with Part B of Section II of Schedule XIII of the Companies Act, 1956".

By Order of the Board

Place : Hyderabad
Date : 29.05.2012

JR NAGAJAYANTHI
Company Secretary

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. The proxy need not be a member of the company. The proxy form, in order to be effective must be duly completed and deposited at the registered office of the company at least 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from 3rd August 2012 to 8th August 2012 (both days inclusive).
4. The members may address their communication to the Registrars and Share Transfer Agents of the company M/s XL Softech Systems Limited, Plot No. 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034 or to the Registered Office of the company.
5. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years are to be transferred to Investor Education and Protection Fund. Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial year	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
2004-2005	29-07-2005	28-07-2012	27-08-2012
2005-2006	31-07-2006	30-07-2013	29-08-2013
2006-2007	30-07-2007	29-07-2014	28-08-2014
2007-2008	31-07-2008	30-07-2015	29-08-2015
2008-2009	14-11-2008	13-11-2015	12-11-2015
2008-2009	31-07-2009	30-07-2016	29-07-2016

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods are requested to send their claims, if any, to the company well in advance of the above due dates. Once the amounts in the unpaid dividend is transferred to the IEPF, no claim shall lie against IEPF or the company in respect thereof and the Members will lose their right to claim such dividend.

Pursuant to section 205A (5) of the companies Act, the company has transferred Rs. 55,450/- (Rupees Fifty Five Thousand Four hundred and Fifty only) which was lying unclaimed for a period of seven years to Investor Education and Protection Fund account established under section 205(1) of the Companies act.

6. Members are requested to utilize the Electronic Clearing System (ECS) for receiving dividend and may accordingly advise their Depository Participants in case the shares are held in electronic form and the Registrar & Share Transfer Agent in case of shares in physical form.
7. A brief profile of Director seeking appointment at the Annual General Meeting in terms of clause 49 of the listing agreement is annexed to this notice.

By Order of the Board

Place : Hyderabad
Date : 29.05.2012

JR NAGAJAYANTHI
Company Secretary



THE NINETEENTH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT OF STOCK EXCHANGES			
DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN			
Name of the Director	Sri K. S. Raju (Director retiring by rotation and eligible for reappointment)	Sri S.Chandrasekhar (Seeking appointment as Managing Director)	
Date of Birth	June 29, 1950	December 19, 1977	
Qualification	B.E (Mechanical)	B.Tech from Osmania university Masters Degree in Chemical Engineering from the University of Illinois, Chicago	
Expertise in specific functional areas	Industrialist	Vast experience in the synthesis of specialty chemicals and design of chemical plants.	
Date of appointment	July 29, 2005	27 th July 2010	
Relationship with other Directors	None	None	
No. of equity shares held in the company	Nil	23,200	
List of other companies in which directorships are held	1. Nagarjuna Fertilizers and Chemicals Ltd 2. Kanumuru Education and Knowledge Ltd 3. Nagarjuna Oil Corporation Limited 4. Sillex India Limited 5. Jaiprakash Engineering and Steel Company Ltd 6. The Fertilizer Association of India 7. Nagarjuna Corporation Ltd 8. Nagarjuna Agrichem Ltd 9. Nagarjuna Oil refinery Limited	1. Rite information services Private Limited 2. JC Biotech Private limited	
	List of committees of Board of Directors across all companies in which Chairman/ Membership is held	Nagarjuna Fertilizers & Chemicals Ltd	Banking Committee ^C Investment Committee ^C Management Committee ^C Shares Committee ^C Audit Committee ^M
	Nagarjuna Oil Corporation Ltd.	Banking Committee ^C Shares Allotment & Transfer Committee ^C Audit Committee ^M Project Management Committee ^C Remuneration Committee ^M	Bhagiradha Chemicals & Industries Ltd: Audit Committee ^M
		Management Committee ^C	
		Shares & Debentures Committee ^C	
		Banking Committee ^C	
		Investment Committee ^C	
		Shareholders / Investor Protection Committee ^M	
		Remuneration Committee ^M	
	Jaiprakash Engineering and Steel Company Ltd	Remuneration Committee ^C	
“C” indicates Chairman and “M” indicates Member of the committee.			



ANNEXURE TO THE NOTICE:

Explanatory statement pursuant to section 173(2) of the companies Act 1956.

ITEM No. 4:

The Board of Directors in their meeting held on 29th May 2012 decided to appoint Sri S. Chandrasekhar, Director as the Managing Director of the company for a period of three years with effect from 1st June 2012 at remuneration and perquisites stated in the resolution. The remuneration payable was approved by the Board and the remuneration committee at their meetings held on 29th May 2012.

The effective capital of the company as on 31st March 2012 is ₹ 44.5 crores and the minimum remuneration is within the ceiling prescribed in terms of effective capital of the company. Further, the company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year.

It is proposed to approve the payment of the minimum remuneration for the period of three years as per the provisions of Part B of Section II of Schedule XIII to the Companies Act, 1956.

The statement containing the information as required under Schedule XIII to the Companies Act, 1956 is annexed to this notice.

The Board recommends the proposed resolution for approval.

Except Sri S. Chandrasekhar none of the other Directors of the company are in any way concerned or interested in this resolution.

By Order of the Board

Place : Hyderabad
Date : 29.05.2012

JR NAGAJAYANTHI
Company Secretary



Statement showing the details as required under Schedule XIII to the Companies Act, 1956

(In connection with Item No. 4 of the notice and explanatory statement)

I. General Information

- (i) Nature of industry: Manufacture and sale of Agro Chemicals.
- (ii) Date or expected date of commencement of commercial production : Existing company carrying out the manufacture and sale of agro chemicals since 1993.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- (iv) Financial performance of the company in the last three years based on given indicators:

(₹ in lakhs)

Particulars	Financial Year		
	2011-2012	2010-2011	2009-2010
Paid up Capital	505.37	505.37	505.37
Reserves & Surplus	3,946.07	4,227.90	4,220.14
Net Sales & Other Income	6,923.89	5999.74	9,909.39
Total Expenditure	7,364.60	6,270.72	9,481.82
Managerial Remuneration	20.61	41.20	54.51
Profit Before Tax	(440.71)	(270.98)	427.57
Income Tax incl Deferred Tax	(158.88)	(278.74)	95.87
Dividend (%)	Nil	Nil	Nil

- (v) Export performance and net foreign exchange collaborations: (₹ in lakhs)

Particulars	Financial Year		
	2011-2012	2010-2011	2009-2010
Foreign Exchange Earning	3,548.66	3,580.48	7,373.72
Foreign Exchange Outgo	2,361.02	1,760.54	2,756.86

- (vi) Foreign investments or collaborators, if any : None

II. Information about Director

- (i) Background Details

Sri S. Chandrasekhar aged 35 years is a Chemical Engineer holding B.Tech. degree with distinction from Osmania University and Masters Degree in Chemical Engineering from the University of Illinois, Chicago. He has over eight years of experience in the synthesis of specialty chemicals and design of chemical plants. He has worked as R&D Manager of the company from 28th September 2002 to 31st March 2006. Sri S. Chandrasekhar was inducted as a Director of the company on 27th July, 2010 under Article 129 of the Articles of Association of the company. He is son of Late Sri S. Koteswara Rao, Promoter and former Managing Director of the company who expired on 4th July 2010.

- (ii) Past Remuneration

Sri.S.Chandrasekhar was not paid any remuneration except sitting fees for attending the Board meeting and the Audit committee meetings, in which he was a member. Sri.S.Chandrasekhar was paid ₹ 40,000/- as sitting fees during the financial year 2011-2012.



- (iii) Job profile and suitability and comparative remuneration profile with respect to industry, size of company and profile of the position and person:

Sri.S.Chandrasekhar since the time he took over as the director of the company has been managing the overall administration and management of the Factory. He has played a vital role in the overall business development and management of the company. His vision, inspiring leadership and strong commitment to growth made him the right person for the job. The remuneration paid to Sri. S.Chandrasekhar is in line with the nature of industry, size of company, profile of the person and responsibilities entrusted.

- (iv) Remuneration Proposed :

The remuneration proposed to be paid to Sri. S.Chandrasekhar, Managing Director has been detailed in the resolution No. 4 of the accompanying notice. In the event of absence or inadequacy of profits in any financial year a monthly remuneration not exceeding ₹ 3,00,000/- (apart from contributions made to the provident fund and gratuity) as minimum remuneration in accordance with Section II of Schedule XIII of the Companies Act, 1956 is proposed.

- (v) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personal, if any:

Sri S.Chandrasekhar is the Director of the Company. He is not related to any managerial personnel. He may be deemed to be interested to the extent of his shareholding and remuneration in the company.

III. Other Information

1. Reasons for inadequate profits:

The net revenue for the current year was ₹ 6,861 lakhs as against ₹ 6,000 for the previous year. The profit/ (Loss) before tax for the current year was ₹ (440.71) lakhs as against ₹ (270.98) lakhs for the previous year.

The reduction in the profits during the year was due to the fire accident that took place on 10th August 2011 at the factory site at Ongole, Andhra Pradesh. The factory operations were interrupted for 50 days from 10th August 2011 to 28th September 2011. This resulted in steep decline in the production and sales and there by leading to increase in Loss.

2. Steps taken or proposed to be taken for improvement:

The company has revived its operations and is fully operational since 29th September 2011. New products are being developed in house by the R & D Unit of the company.

3. Expected increase in productivity and profits in measurable terms.

The company is also planning to launch new products commercially. There would be an improvement in the production and profitability with addition of new products in the subsequent years.

IV. Disclosures

- Adequate disclosure is made to the shareholders of the company of the terms of appointment and remuneration of the managerial personnel.
- The information on remuneration package and other details are disclosed in the Corporate Governance Report.



DIRECTORS' REPORT

To

The Shareholders,

Your directors have pleasure in presenting the Nineteenth annual report together with the audited accounts of the company for the year ended 31st March 2012.

Financial Results

(₹ in lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
Net sales and other income	6,861	6,000
Operating profit (PBDIT)	97	103
Less: Depreciation	297	256
Less: Interest	241	118
Profit before tax	(441)	(271)
Less: Provision for tax (Incl. deferred tax)	(159)	(279)
Net profit	(282)	8
Balance brought forward from previous year	3,425	3,417
Profit available for appropriation	3,143	3,425
- Transfer to general reserve	-	-
- Balance carried to balance sheet	3,143	3,425

Operations

The net revenue for the current year was ₹ 6,861 Lakhs (₹ 6,000 lakhs) which includes an export income of ₹ 4,457 Lakhs (₹ 3,688 lakhs). The Loss before tax was ₹ 441 Lakhs (₹ 271 lakhs) a significant decline while compared to the previous year. The production during the year was 1,268 MT (834 MT).

The operation of the company was affected due to a fire accident that took place on 10th of August 2011. The entire Block 3 of the factory was destroyed due to the fire accident. The company incurred loss of human resources (2 employees), materials and machinery. The company had to close down its operation in factory for 50 days.

Despite the adverse impact, the company took steps to maintain the production level. Rigorous steps are being taken to revive the Block 3 in factory.

Dividend

The Board of Directors have not recommended any dividend for the financial year ended 31st March 2012.



Safety, Health and Environment

Your company has always laid great emphasis on Environment, Health, Safety (EHS) and Pollution. EHS and Pollution control responsibility is fundamental to Company's values. As the Company is committed to become a world class company, measurable improvements in environment, health, safety and pollution aspects in relation to our products, services & operations remains our key focus. The ambient air quality and stack emissions level gets monitored with the help of third party on a monthly basis. These parties are Government recognized laboratories recognized by Ministry of Environment and Forest.

In the entire 19 years of operation, the fire accident that took place on 10th August 2011 was the sole occurrence of an accident in the factory premises. Company conducted strength and stability studies for the civil structures damaged due to fire accident by competent authorities and recommendations were implemented. Safety audit of the entire equipment, electricals, plant and machinery inside the facility was carried out by competent authorities and recommendations were implemented. As an added safety measure, in addition to the existing safety valves, the company has installed Rupture Disc to the reactors vent system to release excess pressure. Dedicated fire hydrant system with automation is being planned in addition to existing fire hydrant system connected to cooling water line as continuous water supply to the fire hydrant line.

Taking lesson from the past, the company revisited the safety and health conditions and has taken stringent precautionary safety and health measures so as to avoid such incidents in future. A safety committee has been constituted to identify potential hazards and propose solution / alternatives to minimize / eliminate the hazards and a safety policy has been drafted and implemented. Further in a view to educate the employees and factory workers, regular internal safety trainings are being conducted to train them on safe work practices, use of firefighting equipment etc.

Company undertakes constant and persistent efforts to upgrade environmental performance and is putting its best efforts to augment the treatment and disposal of effluents satisfying the relevant norms of the pollution control authorities. Effluents from the plants are treated so effectively that it meets not only the legal parameters but also meets with Company's stringent internal standards. Air emissions are effectively controlled by providing dust collectors, wet scrubbers. Waste management system provides comprehensive guideline to monitor, control & minimize generation of wastes. The company has proposed to install Opacity Meter and Volatile Organic Compound (VOC) machine as per the norms suggested by Andhra Pradesh Pollution Control Board to provide online stack monitoring data and online odor monitoring data to the Pollution Control Board.

Corporate Governance

Pursuant to clause 49 of the listing agreement, a Management Discussion and Analysis Report and a Report on Corporate Governance are included in the Annual Report. A certificate from the auditors of the company is annexed to this report.

Director's Responsibility Statement

Pursuant to section 217 (2AA) of the Companies Act, 1956, your directors to the best of their knowledge and belief confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended 31st March 2012 and of the Profit/Loss of the company for the year under review.



- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors have prepared the annual accounts on a 'going concern' basis.

Industrial Relations

Industrial relations were cordial during the year. Your directors greatly appreciate the dedicated services rendered by the employees.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

As required under section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the particulars relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure, which is attached hereto and forms part the Director's Report.

Research & Development

The Company lays emphasis on Research and Development (R&D) for improvement in existing processes for better productivity and development of new products.

Over the years, continuous R & D has helped the Company to adopt to changing and difficult times and has been contributing with the current needs of the Company by maximum utilization of its existing resources. It has endeavored to generate revenues by way of development of new products such as Azoxystrobin and various developments in processes. To generate revenues through licensing of intellectual property, it has displayed different process technologies.

Directors

Sri K.S Raju, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Managing Director

The Remuneration Committee, at its meeting held on 29th May 2012 endorsed to the Board the appointment of Sri.S.Chandrasekhar, Director who is having 'hands on' experience of over eight years in the synthesis of speciality chemicals and design of chemical plants in the Chemical industry, as Managing Director of the Company with effect from 1st June, 2012 for a period of three years. Sri. S.Chandrasekhar, Director is son of Late Sri. S. Koteswara Rao, Promoter and former Managing Director of the company, who expired on 4th July, 2010. The Committee also approved payment of the same remuneration as Late Sri. S. Koteswara Rao to Sri. S. Chandrasekhar. The Board approved the appointment and remuneration payable to him, subject to approval of the Shareholders.

Statutory Auditors

M/s R. Kankaria & Uttam Singhi, Chartered Accountants, are due to retire as auditors of the company at the forthcoming Annual General Meeting and they being eligible, offer themselves for re-appointment. The company has received a letter from the auditors to this effect u/s 224 (1-B) of the Companies Act, 1956.

Cost Auditors

Pursuant to the direction from the Ministry of Corporate Affairs and section 224 (1-B) & 233B of the Companies Act, 1956 for appointment of Cost Auditors, your Board of Directors has re-appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad, as the Cost Auditor for the year ending March 31, 2013.



Fixed Deposits

The company has not accepted any fixed deposits and therefore, the provisions of section 58A of the Companies Act, 1956 are not applicable to the company.

Listing

The shares of your company are listed on the Stock Exchange in Mumbai. The company has paid annual listing fee for the year 2012-2013 to the Bombay Stock Exchange.

Particulars of Employees

During the year under review NONE of the employees have received remuneration more than the limits specified under section 217 (2A) of the companies Act.

Acknowledgement

We thank our customers, vendors, investors and bankers namely State Bank of India and Axis Bank Limited for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, particularly the Ministry of Commerce, the Customs and Excise Departments, the Income Tax Department, the Ministry of Finance, the Reserve Bank of India, Andhra Pradesh Pollution Control Board, the state government and other government agencies for their support, and look forward to their continued support in the future.

The company places on record its sincere gratitude to the investors and members for the imposing trust and confidence shown by them on the company.

For and on behalf of the Board

Place : Hyderabad
Date : 29.05.2012

D. Ranga Raju
Chairman

**ANNEXURE TO THE DIRECTOR'S REPORT**

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A) Conservation of Energy

The products manufactured by the company are material intensive. However, consistent efforts are being made for identifying the potential for energy saving.

The requisite information with regard to conservation of energy as required under section 217 (1) (e) of the Companies Act, 1956 and the Rules made therein in Form A are given hereunder:

FORM – A (See rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy.

Particulars	(Amount in ₹)	
	For the year ended 31-03-2012	31-03-2011
I. ENERGY CONSERVATION		
A Power & Fuel Consumption		
1. Electricity		
i) Purchased units (kwh)	66,08,180	63,96,067
Total Amount (₹)	2,83,77,970	3,02,48,980
Unit Rate (₹)	4.29	4.73
ii) Own Generation (on Diesel)		
a) Diesel Consumption (Ltrs)	2,44,360	78,050
Units	7,33,080	2,34,150
Units per Ltr of Diesel Oil	3.00	3.00
Total Amount (₹)	1,08,47,217	41,35,768
Unit Cost (₹)	14.80	17.66
b) Steam Turbine Generation		
Units	Nil	Nil
Units per Ltr of Diesel Oil	Nil	Nil
Unit Cost	Nil	Nil
2. 'C' Grade Coal used in Boiler		
Quantity (MT)	9,697	7,669
Total Amount (₹)	4,80,06,068	3,13,25,297
Average Rate / MT	4,951	4,085
3. Furnace Oil		
Quantity (Ltrs)	2,29,800	74,300
Total Amount (₹)	98,19,438	23,76,333
Average Rate / Ltr	42.73	31.63
4. Others / Internal Generation		
Quantity	Nil	Nil
Total Amount	Nil	Nil
Rate /Unit	Nil	Nil
II. CONSUMPTION PER TON OF PRODUCTION		
Electricity purchased & Own Generation (Units)	4,759	7,855
Furnace Oil (Ltrs)	149	88
Coal – Quality 'C' Grade (MT)	6.29	9.09

**FORM B (See Rule 2)**

Form for disclosure of particulars with respect to technology absorption

Research and Development

- 1) Specific areas in which R&D is carried out by the company
 - Process development.
- 2) Benefits derived as a result of the above efforts
 - Technologies for two additional products were developed
- 3) Future plan of action
 - Development of technologies for new products.
- 4) Expenditure on R&D for the year 2011-2012

₹ in lakhs

- Capital	--
- Recurring	54.42
- Total	54.42
- R&D expenditure as a percentage of total turnover	0.80

Technology, absorption, adaptation and innovation

- 1) Efforts, in brief, made towards technology absorption, adaptation and innovation
 - Process technologies are developed in-house at the R&D center
- 2) Benefits derived as a result of the above efforts
 - Improvement in the quality of products and cost of manufacture.
- 3) In case of imported technology (imported during the last 5 years), Give details of technology imported, year of import, whether technology fully absorbed.
 - No technology has been imported by the company.

Foreign Exchange Earnings and Outgo

₹ in lakhs

- Earnings	4,438.31
- Outgo	2,361.02



ANNEXURE MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

The company manufactures technical grade agrochemical active constituents used as insecticides and weedicides.

China continues to dominate the international markets in supply of voluminous products being advantageously placed with the domestic availability of intermediates.

b) Opportunities and threats

The domestic market is expected to be the growth driver for Indian pesticides industry in the years to come, unlike the previous years where the industry was thriving on the exports. The increase in use of herbicides and fungicides would provide the major growth prospects for the Industry. The company with focus on bulk formulations and addition of new products to its portfolio is in an advantageous position to tap the growing Indian market.

Indian Industry is dependent on China for many key intermediates used in manufacture of agrochemicals. The currency fluctuation and strategic pricing of Chinese companies is expected to greatly impact the financial performance of Indian companies. The company is planning to mitigate these threats by back integrating its process to start from base raw materials for some of its processes.

c) Financial performance vis-a-vis operational performance

The loss in business due to shut down of operations for a period of 50 days on account of a fire accident has largely impacted the financial performance of the company in the second quarter. The company has put determined efforts to resurrect the performance in the last two quarters. The financial performance is expected to considerably improve in the current financial year with increase in business volume.

d) Outlook

- The company has re-started production of Chlorpyrifos and is putting sustained efforts to regain its position in domestic and export market.
- The company after resurrection of Process Block-III would be re-starting the manufacture of products Clodinafop Propargyl and Cloquintocet Methyl which have contributed to 30% of the sales in financial year 2010-11.
- The company proposes to add a new product "Azoxystrobin" to its product portfolio.
- The company has commissioned its formulation unit which is expected to contribute towards the revenue in the current year.

e) Risks and concerns

- The uncertainty in power supply poses a major risk as the industry is a power intensive. The company proposes to mitigate this risk to a greater extent through purchase of power through third party power supply agreement.
- Single manufacturing location and change in demography is calling for more restraint on environmental factor. The company is actively pursuing options for expanding its operations into industrial area.

f) Internal control system and their adequacy

The company has proper and adequate systems of internal controls which ensure that all the assets are safeguarded and that all transactions are authorized recorded and reported correctly.



The company maintains adequate and effective control system and suitable monitoring procedures with regard to the purchase of raw materials, stores, plant & machinery, equipment and other assets as well as sale of goods. The finance and commercial functions have been structured to provide adequate support and controls for the business of the company.

g) Industrial relations and human resource development

The company has cordial and harmonious industrial relations. Opportunities for individual growth, creativity and dedicated participation in organizational development are being provided.

The employee strength as on March 31, 2012 was 188.

Cautionary statement

Statements in this report on Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ from those expressed or implied. Many important factors including global and domestic demand-supply conditions, prices, raw materials costs and availability, change in government regulations, tax laws and other statutes, force majeure may affect the actual result which could be different from what the director's envisage in terms of future performance and outlook.



CORPORATE GOVERNANCE

I. Company's philosophy on code of governance

The company has established a code of governance based on transparency and accountability with an absolute commitment to the welfare of employees; creating a fulfilling business atmosphere; establishing a faithful and transparent relationship with suppliers and customers; and meeting the aspirations of the stakeholders with sustained growth.

II. Board of Directors

a) Composition of the Board

As on 31.03.2011, the Board of Directors of the Company comprised of a combination of Executive and Non-Executive Directors. The Board comprises of five Directors of whom four are Non-Executive Directors, inclusive of the Chairman. Out of this, two are Independent Non-Executive Directors. The particulars of the directors, their category, and attendance at meetings, other directorships and memberships in committees are given in Table 1.

Table 1

Sl. No	Name of the Director	Category	No. of Board Meetings attended 2011-2012	Whether attended previous AGM held on 10.08.2011	No. of other Directorships	No. of Committee Positions in other companies (Audit, & share committee)	
						Member	Chairman
1.	Sri D. Ranga Raju Chairman	Non-Executive Independent	4	Yes	3	3	None
2.	Sri D. Sadasivudu Executive Director	Promoter, Executive	3	Yes	None	None	None
3	Sri S. Chandrasekhar Director	Promoter Director	3	No	2	None	None
4	Sri K.S. Raju Director	Non-Executive	1	Yes	17	2	2
5	Sri Sudhakar Kudva Director	Non-Executive Independent	4	Yes	1	2	None
6	Dr. S. Ramnarayan Director	Non-Executive Independent	1	No	Resigned wef 01.07.2011		

None of the directors on the Board is a member of more than ten committees (audit & shares committee) or Chairman of more than five committees, across all companies in which he is a director. The necessary disclosures regarding committee position were made by the directors.

b) Board Meetings

During the financial year 2011-2012 the Board of Directors have held Four meetings on the following dates: 30th May 2011, 10th August 2011, 10th November 2011, and 14th February 2012.

The time interval between any two meetings did not exceed four months.

The information as required under clause 49 of the listing agreement is made available to the Board. The agenda and the related papers for consideration at the Board meeting are circulated sufficiently in advance of the Board Meetings. Adequate information is circulated as part of the agenda papers and is also made available at the meeting to enable the Board to take informed decisions.

c) Brief resume of the Directors seeking re-appointment

Sri K.S. Raju (62) is a Graduate in Mechanical Engineering from the University of Mysore. He is the Chairman & Managing Director of Nagarjuna Fertilizers and Chemicals Limited.



Under his leadership, the Nagarjuna Group has made its presence felt in Agri Business and also ventured out into refinery. The names of the other public limited companies in which Sri K.S. Raju is a director are given hereunder:

1. Nagarjuna Fertilizers and Chemicals Ltd
2. Kanumuru Education and Knowledge Ltd
3. Nagarjuna Oil Corporation Limited
4. Siltex India Limited
5. Jaiprakash Engineering and Steel Company Ltd
6. The Fertilizer Association of India
7. Nagarjuna Corporation Ltd
8. Nagarjuna Agrichem Ltd
9. Nagarjuna Oil Refinery Limited

He has been providing his valuable guidance to many private limited companies as a Board of Director. The details of other committee positions held by Sri K.S. Raju are detailed below:

	Committee membership
Nagarjuna Fertilizers and Chemicals Ltd.	Banking Committee ^c Investment Committee ^c Management Committee ^c Shares & Debentures Committee ^c Audit Committee ^m
Nagarjuna Oil Corporation Ltd.	Project Management Committee ^c Banking Committee ^c Share Allotment & Transfer Committee ^c Audit Committee ^m Remuneration Committee ^m
Nagarjuna Oil Refinery Ltd.	Management Committee ^c Shares & Debentures Committee ^c Banking Committee ^c Investment Committee ^c Shareholders / Investor Protection Committee ^M Remuneration Committee ^M
Jaiprakash Engineering and Steel Company Ltd	Remuneration Committee ^c

Sri K. S. Raju does not hold any shares in the company as on 31st March 2012. He is not related to any of the other Directors in the Company

d) Code of conduct

The Board has approved a code of conduct for the board members and the senior management personnel of the company. The code of conduct is posted on the website of the company. All directors and senior management personnel have affirmed compliance with the code of conduct and submitted declarations in this behalf for the year ended March 31, 2012. A declaration signed by the Executive Director to this effect is enclosed.

III. Audit Committee

a) Composition, Names of Members and Chairman

The Board has reconstituted its audit committee on 10th November 2011 in accordance with section 292A of the Companies Act, 1956 and clause 49 of the listing agreement. The composition of the audit committee is given below:



Name	Category	Position in the audit committee
Sri Sudhakar Kudva	Independent & Non executive	Chairman
Sri D. Ranga Raju	Independent & Non Executive	Member
Sri S.Chandrasekhar	Promoter	Member

Sri Sudhakar Kudva, the Chairman of the Committee, is a member of Institute of Chartered Accountants of India and has over 35 years experience in Accounting, Treasury Management, Financial and General Management and is the Chairman of the Audit Committee. The other members of the audit committee are professionals having experience in business administration and corporate management.

b) Terms of Reference

The terms of reference of audit committee includes the matters specified in Section 292A of the Companies Act, 1956 as well as clause 49 of the listing agreement with the Stock Exchanges. The brief descriptions of the terms of reference are:

- i) 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.
- ii) Recommending the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- iii) Approval of payment to statutory auditors for any other services rendered by them.
 - i) Reviewing with the management the annual financial statement before submission to the Board.
 - ii) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 - iii) Reviewing with the management the performance of statutory and internal auditors the adequacy of internal control systems.
 - iv) Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - v) Discussion with internal auditors any significant findings and follow up there on.
 - vi) Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularities or a failure of internal control system of a material nature and reporting the matter to the Board.
 - vii) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - viii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders if any, share holders (in case of nonpayment of declared dividends) and creditors.
 - ix) To review the function of Whistle Blower mechanism, in case the same is existing.
 - x) Approval of appointment of CFO (i.e., the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualification, experience & background etc of the candidate."
 - xi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



c) Meeting and Attendance during the year

During the year under review, four meetings of the audit committee were held on the followings dates: 30th May 2011, 10th August 2011, 10th November 2011 and 14th February 2012. The attendance of each of the members of the Committee is given below:

Date of Meeting	Committee Members Present		
	D. Ranga Raju	Sudhakar Kudva	S. Chandrasekhar
30.05.2011	YES	YES	Appointed WEF 10.11.2011
10.08.2011	YES	YES	
10.11.2011	YES	YES	YES
14.02.2012	YES	YES	YES
Total number of meetings attended	4	4	2

The Executive Director, General Manager (Finance) and the Statutory Auditors also attend the meetings. The Company Secretary acts as the Secretary of the audit committee. The mandatory information required under clause 49 (II) (E) of the listing agreement is placed before the audit committee for its review.

III. Remuneration Committee

The Board has constituted a remuneration committee in terms of Schedule XIII of the Companies Act, 1956 read with clause 49 of the listing agreement. The committee comprises of Sri D. Ranga Raju, Sri Sudhakar Kudva and Sri K S Raju as members. The Chairman of the Committee is Sri D. Ranga Raju who is a non-executive independent director. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the remuneration including perquisites, allowances and commission to be paid to the company's whole-time-director's.

Remuneration policy: The committee while deciding the remuneration package takes into consideration the financial position of the company, trend in the industry, appointee qualification, experience, past performance etc.

The non executive directors are not paid any remuneration except sitting fees for attending the Board/Committee meetings.

The details of the remuneration paid/payable to the directors for the year 2011-2012 are given below:

(₹ in lakhs)

Name of the Director	Salary	Perquisites	Sitting Fees	Total
Sri D.Sadasivudu	19.20	1.41	-	20.61
Sri D. Ranga Raju	--		1.00	1.00
Sri K.S. Raju	--		0.10	0.10
Dr. S. Ramnarayan	--		0.20	0.20
Sri Sudhakar Kudva	--		0.80	0.80
Sri S.Chandrasekhar			0.40	0.40



The number of shares held by the directors as on 31.03.2012 is given below.

Name of the Director	No. of shares held
Sri D.Sadasivudu	79,200
Sri S.Chandrasekhar	23,200
Sri D. Ranga Raju	Nil
Sri K.S. Raju	Nil
Sri Sudhakar Kudva	Nil

IV. Share Transfer & Investor's Grievance Committee

The committee presently comprises of Sri D. Ranga Raju, Sri Sudhakar Kudva and Sri D.Sadasivudu as members. The Chairman of the Committee is Sri D. Ranga Raju who is a non-executive independent director.

The committee inter-alia looks into transfer, transmission, split, duplicate, remat and consolidation of shares. The committee also monitors redressal of complaints from the shareholders relating to transfer of shares, non-receipt of annual report, dividend etc.

During the year under review, two meetings of the committee was held on 1st November 2011 and 27th January 2012. The attendance of each of the members of the Committee is given below:

Name	No. of meetings attended
Sri D. Ranga Raju	2
Sri D.Sadasivudu	2
Sri. Sudhakar Kudva	None

The General Manager-Finance is the Compliance officer of the company. The company has received 8 investor complaints during the year 2011-2012. No complaints were pending as on March 31, 2012. There were no share transfers pending as on March 31, 2012.

VII. General Body Meeting

Location & time of last three Annual General Meetings

Date	Time	Venue	No. of special resolutions passed
10.08.2011	10.30 AM	Hotel Green Park, Ameerpet, Hyderabad	none
18.09.2010	10.30 AM	Hotel Green Park, Ameerpet, Hyderabad	none
31.07.2009	3.00 P.M	Hotel Green Park, Ameerpet, Hyderabad	none

There were no Extraordinary General Meetings in the last three years and no resolution was put through postal ballot. There are no special resolutions proposed to be passed by postal ballot this year.



VIII Disclosures

- i) There have been no materially significant related party transactions that may have potential conflict with the interest of the company.
- ii) There has been no instance of non-compliance or penalty, strictures imposed on the company by the stock exchanges, SEBI or any other statutory authority on any matter relating to the capital markets.
- iii) In terms of SEBI (Prohibition of Insider Trading) Regulations, 1992, the company has framed code of conduct for dealing in the securities of the company for observance by its directors, designated employees and their dependent relatives.
- iv) There is no specific Whistle Blower Policy for the company. We further affirm that during the year 2011-2012, no personnel have been denied access to the audit committee.
- v) The compliance with the non-mandatory requirements are detailed below:
 - The Board has a non-executive chairman. Except for the chairman and the promoter directors, the tenure of all other directors with the company has not exceeded nine years.
 - The company does not send any half-yearly declaration of financial performance to the shareholders.
 - The non-executive directors inducted on the Board are given an overview of the company's operations to familiarize them with the operations. A statement on business risks and mitigation strategy is regularly placed before the Board for its review.
 - The company does not have any peer group for evaluating the performance of the non-executive directors.
 - The company has yet to establish a whistle blower policy. The code of conduct adopted by the Board ensures confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, or other company policies. Further during the year under review no employee was restricted from reporting concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct.

Other Disclosures

(a) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the company and its directors that may have potential conflict with the interest of the company.

Transactions with related parties are disclosed in Note 7 of Schedule 24 to the financial statements in the Annual Report.

The related party transactions as required under clause 49(IV)(A) of the listing agreement is placed before the audit committee.

(b) Disclosure of Accounting Treatment

The financial statements are prepared in accordance with the Accounting Standards prescribed by The Institute of Chartered Accountants of India.



(c) Board Disclosures – Risk Management

A statement of the Management's perception of business risk and minimization procedure is periodically placed before the Board for its review.

(d) Proceeds from public issue, rights issue, preferential issue etc.

During the year under review, the company has not raised any money through a public, rights or preferential issues.

IX. Means of Communication

As per clause 41 of the listing agreement, quarterly financial results are published within the time frame prescribed in this regard. The names of the newspapers wherein results, notices and other communication are normally published are:

English – Business Standard/Financial Express/Financial Chronicle

Telugu – Andhra Bhoomi/Andhra Jyothi/Andhra Prabha/Praja Shakti/Surya

The results are also available on the company's website. As required under clause 51 of the listing agreement, the company uploads the quarterly results, shareholding pattern and annual report on SEBI's website under Electronic Data Information and Filing Retrieval (EDIFAR).

There were no presentations made to the Institutional Investors or Analysts during the year 2011-2012

X. General Shareholder information

- | | | |
|------|-----------------------------------|--|
| i) | Nineteenth Annual General Meeting | |
| | Date | : 8 th August 2012 |
| | Day | : Wednesday |
| | Time | : 14:00Hrs. |
| | Venue | : Hotel Green Park |
| ii) | Financial Year | April to March |
| iii) | Date of book closure | 3 rd August 2012 to 8 th August 2012
(both dates inclusive) |
| iv) | Dividend | : Nil |
| v) | Listing on Stock Exchange | : The Bombay Stock Exchange Ltd |
| vi) | Stock Code | : BSE – 531719 |
| vii) | Demat ISIN Number | : INE 414D01019 |



viii) Market price data

- 1 The monthly high and low price quotations of the company's shares at the Bombay Stock Exchange Limited is given below:

Source: www.bseindia.com

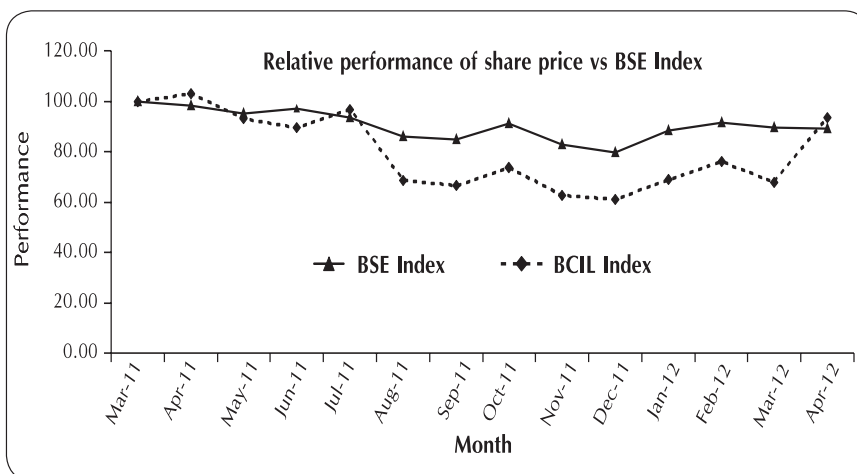
Month	High (₹)	Low (₹)
April 2011	41.50	34.50
May 2011	35.00	30.05
June 2011	35.00	25.00
July 2011	34.35	26.50
August 2011	34.35	20.45
September 2011	26.00	22.40
October 2011	26.00	20.85
November 2011	28.00	20.15
December 2011	23.65	18.85
January 2012	25.30	20.50
February 2012	26.85	21.10
March 2012	26.95	21.40
April 2012	34.00	22.00

ix Performance in comparison to BSE Sensex

Performance of the share price of the company in comparison to BSE Sensex for the period April'2011 to March' 2012 is given below:

Month	BCIL Close Price on BSE	Close Price BSE Sensex	Relative index for comparison purpose	
			BCIL	BSE Sensex
March 2011	36	19445	100.00	100.00
April 2011	35	19136	102.94	98.41
May 2011	32	18503	93.24	95.16
June 2011	30	18846	89.41	96.92
July 2011	33	18197	96.76	93.58
August 2011	23	16677	68.38	85.76
September 2011	23	16454	66.62	84.62
October 2011	25	17705	73.68	91.05
November 2011	21	16123	62.50	82.92
December 2011	21	15455	61.03	79.48
January 2012	23	17194	68.82	88.42
February 2012	26	17753	76.03	91.30
March 2012	23	17404	67.65	89.50
April 2012	32	17319	93.38	89.06

Source: www.bseindia.com



- x) **Registrars & Transfer Agents** : XL Softech System Limited
8-2-269/S/3/A, Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills, Hyderabad – 500 034
Phone: 040- 23545913/5, Fax : 040 – 23553214
E-mail : xlfield@rediffmail.com

xi) **Share Transfer System**

90.67% of the shares of the company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the company.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s XL Softech Systems Limited, Hyderabad. The share transfer requests received are processed by them and a transfer register is sent to the company for approval once in a fortnight. There were no share transfers pending as on March 31, 2012

xii) **Distribution of shareholding as on March 31, 2012***

Shareholding	No. of Shareholders	%	Shares Amount In ₹	Shares Amount %
upto 500	2277	80.35	3275000	6.48
501 - 1000	240	8.47	1961280	3.88
1001 - 2000	151	5.33	2218820	4.39
2001 - 3000	46	1.62	1157030	2.29
3001 - 4000	26	0.92	897650	1.78
4001 - 5000	28	0.99	1290350	2.55
5001 - 10000	30	1.06	2399090	4.75
Above - 10000	36	1.27	37337780	73.88
Total	2834	100	50537000	100.00
Shares held in		Number		%
		471421		9.33
		4582279		90.67
Total		5053700		100.00

*49100 shares have been forfeited, hence not included in the total shareholding.

**xiii) Shareholding Pattern as on March 31, 2012**

Sno.	Category	No. of Shares	Percentage
A	Shareholding of Promoter & Promoter Group	1186499	23.48
B	Public Shareholding		
1.	Foreign Institutional Investors	Nil	NIL
2.	Bodies Corporate	2394327	47.38
3.	Indian Public	1370855	27.12
4.	Non Resident Indians	97658	1.93
5.	Clearing Members	4361	0.09
	Total	5053700	100.00

*49100 shares have been forfeited, hence not included in the total shareholding.

xiv) Dematerialization of shares and liquidity

The company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Dematerialization of shares is done through XL Softech Systems Limited, Hyderabad and on an average the dematerialization process is completed within a period of 21 days from receipt of a valid demat request along with all documents.

xv) CIN Number:

The Corporate Identity Number (CIN) of the company, as allotted by Ministry of Company Affairs is L24219AP1993PLC015963

xvi) Plant location : Cheruvukommupalem (Village)
Ongole (Mandal)
Prakasam (District)
Andhra Pradesh

Address for correspondence : Bhagiradha Chemicals & Industries Ltd
8-2-269/S/3/A, Plot No.3
Sagar Society, Road No. 2
Banjara Hills, Hyderabad – 500 034
Tel. (040) 23608083
Fax (040) 23540444
Email : info@bhagirad.com

Investor Grievance e-mail : nihita.s@bhagirad.com



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To
The Shareholders

I hereby declare that all the board members and senior management personnel have affirmed compliance with the code of conduct adopted by the company and have submitted declarations in this behalf for the year ended March 31, 2012.

Place : Hyderabad
Date : 29.05.2012

D.Sadasivudu
Executive Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of,
Bhagiradha Chemicals & Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Bhagiradha Chemicals & Industries Limited (the Company) for the year ended 31st March, 2012 as stipulated in clause 49 of Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that no investors' grievances are pending for a period exceeding one month against the company as per the records maintained by the Company.

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 **R.Kankaria & Uttam Singhi**
Chartered Accountants
Firm registration No. 000442S

Place : Hyderabad
Date : 29.05.2012

Uttam Kumar Singhi
Partner
Membership No. 027481/ICAI



EXECUTIVE DIRECTOR AND GENERAL MANAGER CERTIFICATION

We, D.Sadasivudu, Executive Director and K.Gopala Krishna, General Manager (Finance) of Bhagiradha Chemicals & Industries Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year under review and certify that:
 - i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that
 - i. there are no significant changes in internal control over financial reporting during the year
 - ii. there are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - iii. there are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal controls system.

D.Sadasivudu
Executive Director

K.Gopala Krishna
General Manager (Finance)

Place : Hyderabad
Date : 29.05.2012



AUDITORS' REPORT

To the Members of

Bhagiradha Chemicals & Industries Ltd.

1. We have audited the attached Balance Sheet of M/s. Bhagiradha Chemicals & Industries Limited, as at 31st March, 2012, the statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (read with Companies (Auditor's Report) (Amendment) order, 2004) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, 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 31st March, 2012
- (b) in the case of the Statement of Profit & Loss, of the loss for the year ended on that date, and
- (c) In the case of Cash Flow statement of the cash flows for the year ended on that date.

For R.Kankaria & Uttam Singhi

Chartered Accountants

Firm registration No. 000442S

Uttam Kumar Singhi

Partner

Membership No. 027481/ICAI

Place : Hyderabad

Date : 29.05.2012



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the Fixed assets have not been physically verified by the management during the year but, according to the information and explanations given to us, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not sold/ disposed off substantial portion of Fixed Assets. However refer note no. 24 (II) (4) regarding loss of certain assets due to fire and discontinuation of manufacturing activities for temporary period which in our opinion has not affected the going concern status of the company.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) 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) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- iii) In our opinion, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted/taken any loans, secured or unsecured, to/from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 clauses iii(b), iii(c) and iii(d) of paragraph 4 of the Order, are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been noticed in these internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.



- viii) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Accounting records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that the prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete, as the examination of the records are to be made by a Cost Auditor.
- ix) (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues, including Provident Fund, E.S.I, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it during the year.
- (b) According to the information & explanations given to us, there are no dues in respect of sales tax, income tax, customs duty, excise duty, cess which have not been deposited on account of any dispute.
- x) The Company does not have accumulated losses as at the end of the financial year but it has incurred cash loss of ₹ 1,43,66,520/- (previous year ₹ 19,21,550/-) in the current financial year.
- xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xiv) The company is not dealing or trading in shares, securities, debentures or other investments and hence the requirement of para 4(xiv) is not applicable to the company.
- xv) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) According to the information and explanations given to us, the company has not taken any term loans and therefore clause (xvi) of para 4 of the order is not applicable.
- xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa other than temporary deployment pending application.
- xviii) The company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- xix) According to the information and explanations given to us the company has not issued any debentures.



Bhagiradha Chemicals & Industries Limited

- xx) The Company has not raised any money through public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For R.Kankaria & Uttam Singhi

Chartered Accountants

Firm registration No. 000442S

Uttam Kumar Singhi

Partner

Membership No. 027481/ICAI

Place : Hyderabad

Date : 29.05.2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

₹

Particulars	Note	AS AT 31.03.2012	AS AT 31.03.2011
Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	1	50,782,500	50,782,500
(b) Reserves and surplus	2	394,606,772	422,789,942
		445,389,272	473,572,442
(2) Non-current liabilities			
(a) Long-term borrowings	3	37,101,537	38,422,697
(b) Deferred tax liabilities (Net)	4	17,977,688	33,865,761
		55,079,225	72,288,458
(3) Current liabilities			
(a) Short-term borrowings	5	227,094,188	118,685,169
(b) Trade payables	6	144,906,167	54,115,085
(c) Other current liabilities	7	6,756,736	2,504,779
(d) Short-term provisions	8	15,982,024	12,771,727
		394,739,115	188,076,760
Total		895,207,612	733,937,660
Assets			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		309,395,465	331,832,509
(ii) Intangible assets		646,558	828,652
(iii) Capital work-in-progress		29,267,865	13,988,222
		339,309,888	346,649,383
(b) Long-term loans and advances	10	42,332,360	45,963,952
		381,642,248	392,613,335
(2) Current assets			
(a) Inventories	11	228,305,257	71,997,676
(b) Trade receivables	12	185,729,545	91,924,195
(c) Cash and cash equivalents	13	31,078,620	148,266,719
(d) Short-term loans and advances	14	67,775,390	28,787,597
(e) Other current assets	15	676,552	348,138
		513,565,364	341,324,325
Total		895,207,612	733,937,660
Significant Accounting Policies, Notes on Financial Statements	1-24		

As per our attached report of even date

For and on behalf of the Board

For R Kankaria & Uttam Singhi

Chartered Accountants

Firm Registration No.000442S

Uttam Kumar Singhi

Partner

Membership No.027481

Place : Hyderabad

Date : 29.05.2012

D. Ranga Raju

Chairman

K. Gopala Krishna

General Manager (Finance)

D. Sadasivudu

Executive Director

J.R. Nagajayanthi

Company Secretary

**Statement of Profit and loss for the year ended 31st March, 2012**

₹

Particulars	Note	FOR THE YEAR ENDED	
		31.03.2012	31.03.2011
Continuing Operations			
Revenue from operations (gross)	16	759,413,333	645,551,395
Less: Taxes & Duties		75,305,289	51,925,226
Revenue from operations (net)		684,108,044	593,626,169
Other income	17	2,028,688	6,347,638
Total Revenue		686,136,732	599,973,807
Expenses			
Cost of Raw Materials Consumed	18	518,452,070	426,418,351
Changes in inventories of finished goods, Stock-in-progress and Stock-in-Trade	19	(65,539,218)	(12,390,955)
Employee benefits expense	20	50,093,671	56,038,040
Finance costs	21	24,076,445	11,779,891
Depreciation and amortization expense	9	29,704,723	25,561,528
Other expenses	22	179,672,699	119,665,421
Total expenses		736,460,390	627,072,276
Profit before extraordinary items and tax		(50,323,658)	(27,098,469)
Extraordinary Items	23	6,252,415	-
Profit before tax		(44,071,243)	(27,098,469)
Tax expense:			
Current tax		-	-
Excess/Short provision of earlier years		-	384,609
Deferred Tax Liability (Net)		(15,888,073)	(9,941,090)
MAT Credit Entitlement		-	(18,317,737)
Profit / (Loss) (after tax) for the year		(28,183,170)	775,749
Earnings per equity share			
Basic & Diluted		(5.58)	0.15
Significant Accounting Policies, Notes on Financial Statements	1-24		

As per our attached report of even date

For and on behalf of the Board

For R Kankaria & Uttam Singhi

Chartered Accountants

Firm Registration No.000442S

Uttam Kumar Singhi

Partner

Membership No.027481

Place : Hyderabad

Date : 29.05.2012

D. Ranga Raju

Chairman

K. Gopala Krishna

General Manager (Finance)

D. Sadasivudu

Executive Director

J.R. Nagajayanthi

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2012**

₹

PARTICULARS	FOR THE YEAR ENDED	
	31.03.2012	31.03.2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(44,071,243)	(27,098,469)
Adjustments for:		
Depreciation	29,704,723	25,561,528
Interest Expenses	24,076,445	9,892,969
Profit in Assets due to Fire Accident	6,252,415	-
Interest Income	(1,050,159)	(579,844)
Operating Profit Before Working Capital Changes	2,407,351	7,776,184
Adjustments for:		
Sundry Debtors	(93,805,350)	130,763,644
Inventories	(161,774,630)	4,389,443
Loans and Advances	(40,596,865)	12,803,407
Trade Payables & Provisions	83,367,506	(39,098,248)
	(212,809,339)	108,858,246
Cash Generated From Operations	(210,401,988)	116,634,430
Income Tax Paid	-	(1,612,403)
Income Tax Refund	4,064,691	-
Net Cash Flow From Operating Activities	(206,337,297)	115,022,027

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2012**

₹

PARTICULARS	FOR THE YEAR ENDED	
	31.03.2012	31.03.2011
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(34,994,414)	(2,437,535)
Capital Work In Progress	(15,279,643)	(21,563,918)
Insurance Claim Received	54,001,219	-
Interest Received	721,745	550,827
Sale of Fixed Assets	7,000	-
Net Cash Used in Investing Activities	4,455,907	(23,450,626)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings for working capital	108,409,019	19,247,861
Proceeds from sales tax loan	416,167	164,717
Interest paid	(24,076,445)	(9,892,969)
Dividend Paid	(55,450)	(9,625)
Net Cash Used in Financing Activities	84,693,291	9,509,984
Net increase in cash and cash equivalents	(117,188,099)	101,081,385
Cash and cash equivalents at the beginning of the period	148,266,719	47,185,334
Cash and cash equivalents at the end of the period	31,078,620	148,266,719

As per our attached report of even date

For and on behalf of the Board

For R Kankaria & Uttam Singhi

Chartered Accountants

Firm Registration No.000442S

Uttam Kumar Singhi

Partner

Membership No.027481

Place : Hyderabad

Date : 29.05.2012

D. Ranga Raju

Chairman

K. Gopala Krishna

General Manager (Finance)

D. Sadasivudu

Executive Director

J.R. Nagajayanthi

Company Secretary

**NOTES : 1 SHARE CAPITAL**

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
AUTHORIZED CAPITAL			
	60,00,000 Equity Shares of ₹ 10/- each with Voting Rights	<u>60,000,000</u>	<u>60,000,000</u>
ISSUED, SUBSCRIBED			
	51,02,800 Equity Shares of ₹ 10/- each with Voting Rights	<u>51,028,000</u>	<u>51,028,000</u>
PAID UP			
	50,53,700 Equity Shares of ₹ 10/- each with Voting Rights	<u>50,537,000</u>	<u>50,537,000</u>
	Add : Forfeited Shares (amount originally paid up)	<u>245,500</u>	<u>245,500</u>
	Total	<u>50,782,500</u>	<u>50,782,500</u>

1.1 Details of Shares held by each Shareholders Holding more than 5% shares

₹

Sl. No.	Class of Shares / Name of Shareholders	Number of Shares Held	% of Holding In that class of Shares	Number of Shares Held	% of Holding In that class of Shares
Equity shares with Voting rights					
1	Singavarapu Koteswara Rao	684,100	13.54	684,100	13.54
2	Flax India Limited	396,600	7.85	396,600	7.85
3	Siltex India Limited	290,600	5.75	290,600	5.75

1.2 Details of Forfeited Shares

₹

Class of Shares	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	Amount originally paid up ₹	Number of Shares	Amount originally paid up ₹
Equity Shares with Voting Rights	49,100	245,500	49,100	245,500



NOTES : 2 RESERVES & SURPLUS

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	General Reserve		
	Opening Balance	80,273,859	80,273,859
	Add : Transfer from Surplus in Statement of Profit and Loss A/c	-	-
	Closing Balance	80,273,859	80,273,859
	Surplus - Profit & Loss Account		
	Opening Balance	342,516,083	341,740,334
	Add: Profit for the year	(28,183,170)	775,749
	Closing Balance	314,332,913	342,516,083
	Total	394,606,772	422,789,942

NOTES : 3 LONG TERM BORROWINGS

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Unsecured		
	Sales Tax Deferment	37,101,537	38,422,697
	Total	37,101,537	38,422,697

- 3.1 Government of Andhra Pradesh vide letter No.20/2/6/1369/ID dated 08-10-1996 and letter No.30/1/2002/0300/0300/FD dated 10-04-2002 had sanctioned sales tax deferment for an amount of ₹ 91,854,000/- and ₹ 51,450,510/- respectively for a period of 14 years to the company in respect of chlorpyrifos plant. The sanction of ₹ 91,854,000/- under letter No.20/2/6/1369/ID dated 08-10-1996 has expired its utilization on 28th February, 2010. The company has commenced the repayment and has paid ₹ 912,546/- utilised till 1997-98. Sales tax amounting to ₹ 1,077,725/- (Previous Year ₹ 289,130/-) deferred during the year.

NOTES : 4 DEFERRED TAX LIABILITIES (NET)

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Deferred Tax Liability (Net)	33,865,761	43,806,851
	Add: Current Year	(15,888,073)	(9,941,090)
	Total	17,977,688	33,865,761

**NOTES : 5 SHORT TERM BORROWINGS**

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
Loan Repayable on Demand - Secured.			
	- From Bank		
	State Bank of India - Cash Credit A/c	117,486,507	108,020,064
	Axis Bank Limited - Cash Credit A/c	54,188,876	10,665,105
	State Bank of India - Buyers Credit	9,156,448	-
	Axis Bank Limited - Buyers Credit	13,844,995	-
	State Bank of India - Bill Discounting	32,417,362	-
Total		227,094,188	118,685,169

- 5.1 The working capital facilities are secured by hypothecation of the current assets of the company and further secured by a first charge on the fixed assets of the company and are personally guaranteed by the Executive Director and one of the Director of the company.

NOTES : 6 TRADE PAYABLES

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Sundry Creditors - Raw Materials	122,918,701	48,629,647
	Sundry Creditors - Consumables, Stores & Spares	5,346,878	926,467
	Sundry Creditors - Others	16,640,588	4,558,971
Total		144,906,167	54,115,085

- 6.1 Sundry creditors as at 31st March 2012 includes an amount of ₹ 18.14 lakhs (Previous year ₹ 5.93 lakhs) outstanding (but not overdue) to micro and small enterprises. The above disclosure is based on the information available with the company regarding the status of suppliers as defined under the Micro, Small and Medium Enterprises Development Act 2006.
- 6.2 Balances in Sundry Creditors are subject to confirmation and reconciliation if any, however in the opinion of the management there would not be any material impact on the financial statements.



NOTES : 7 OTHER CURRENT LIABILITIES

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Sundry Creditors - Capital Goods	2,505,883	244,500
	Sundry Creditors - Statutory Payments	1,232,969	924,272
	Deferred Sales Tax Liability	2,398,885	661,558
	Unpaid dividends	618,999	674,449
	Total	6,756,736	2,504,779

- 7.1 Balances are subject to confirmation and reconciliation if any, however in the opinion of the management there would not be any material impact on the financial statements.
- 7.2 Government of Andhra Pradesh vide letter No.20/2/6/1369/ID dated 08-10-1996 and letter No.30/1/2002/0300/0300/FD dated 10-04-2002 had sanctioned sales tax deferment for an amount of ₹ 91,854,000/- and ₹ 51,450,510/- respectively for a period of 14 years to the company in respect of chlorpyrifos plant. The sanction of ₹ 91,854,000/- under letter No.20/2/6/1369/ID dated 08-10-1996 has expired its utilization on 28th February, 2010. The company has commenced the repayment and has to pay ₹ 2,398,885/- (previous year ₹ 661,558/-) during the year 2012-13.
- 7.3 Balance in Unpaid Dividends is not due to be credited to investor education protection fund.

NOTES : 8 SHORT TERM PROVISIONS

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Provision From Employees Benefit		
	Provision for Bonus	1,403,510	1,389,554
	Others		
	Provision for expenses	14,578,514	11,382,173
	Total	15,982,024	12,771,727



NOTES 9

FIXED ASSETS

Sl. NO		DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
		As at 31.03.2011	ADDITIONS	DEDUC-TIONS/DE-LETIONS	AS AT 31.03.2012	As at 31.03.2011	DEDUC-TIONS/DE-LETIONS	PERIOD ENDED 31.03.2012	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
A	TANGIBLE ASSETS										
1	Land & Site Development		21,873,211	-	-	21,873,211	-	-	-	21,873,211	21,873,211
2	Factory Buildings		94,688,558	1,085,095	-	95,773,653	17,328,399	-	2,338,564	19,666,963	76,106,690
3	Plant & Equipment		360,407,368	22,953,112	29,868,589	353,491,891	156,790,377	4,049,552	23,357,178	176,098,003	177,393,888
4	Electrical Installations		43,548,422	10,424,635	2,458,837	51,514,220	18,341,714	376,045	2,817,265	20,782,934	30,731,286
5	Furniture & Fixtures		2,216,173	-	-	2,216,173	1,263,908	-	140,284	1,404,192	811,981
6	Office Equipment		2,293,859	201,600	112,894	2,382,565	1,804,398	105,894	142,770	1,841,274	541,291
7	Computers		2,633,471	293,707	-	2,927,178	2,301,942	-	190,950	2,492,892	434,286
8	Vehicles		5,529,244	-	-	5,529,244	3,527,059	-	499,353	4,026,412	1,502,832
SUB TOTAL			533,190,306	34,958,149	32,440,320	535,708,135	201,357,797	4,531,491	29,486,364	226,312,670	309,395,465
B	INTANGIBLE ASSETS										
1	Software		-	36,265	-	36,265	-	-	3,463	3,463	32,802
2	Technical Knowhow		4,070,000	-	-	4,070,000	3,241,348	-	214,896	3,456,244	613,756
SUB TOTAL			4,070,000	36,265	-	4,106,265	3,241,348	-	218,359	3,459,707	646,558
PREVIOUS YEAR			536,024,221	2,437,535	1,201,450	537,260,306	179,037,617	-	25,561,528	204,599,145	332,661,161
C	Capital Work in Progress										
- Civil			2,720,711	10,778,472	1,085,095	12,414,088	-	-	-	-	12,414,088
- Plant & Equipment			11,267,511	38,964,013	33,377,747	16,853,777	-	-	-	-	16,853,777
SUB TOTAL			13,988,222	49,742,485	34,462,842	29,267,865	-	-	-	-	29,267,865
GRAND TOTAL			551,248,528	84,736,899	66,903,162	569,082,265	204,599,145	4,531,491	29,704,723	229,772,377	339,309,888
											347,270,827

9.1 Depreciation on Factory building, Plant and Equipment pertaining to Block III (Manufacturing facility of Clodinafop, Cloquintocet Mexyl & Thiamethoxam) has not provided from 10.08.2011 to 31.03.2012 due to fire accident in the said Block

9.2 Deletions in Plant and Equipment and Electrical installations of Rs. 3,23,27,426/- due to Fire Accident in Block III

**NOTES : 10 LONG TERM LOANS & ADVANCES**

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Unsecured, Considered Good		
	Capital Advances	3,944,104	7,575,696
	Advance for Land	3,341,250	3,341,250
	Duty Draw Back	10,629,057	10,629,057
	MAT Credit Entitlement	18,317,737	18,317,737
	Other Deposits	6,100,212	6,100,212
	Total	42,332,360	45,963,952

10.1 Balances are subject to confirmation and reconciliation if any, however in the opinion of the management there would not be any material impact on the financial statements.

NOTES : 11 INVENTORIES

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Raw Materials	114,096,334	35,824,917
	Raw Materials in ware house	5,927,226	-
	Stock-in-Progress	12,355,975	21,291,507
	Finished Goods	87,037,500	12,562,750
	Packing Materials	755,774	787,432
	Coal & Fuel	5,084,042	222,555
	Stores & Spares	3,048,406	1,308,515
	Total	228,305,257	71,997,676

11.1 MODE OF VALUATION OF INVENTORIES

Raw materials	At Average Cost
Raw materials - in Ware House	At cost
Stores, Spares and Consumables	At cost
Coal & Fuel	At cost
Stock-in-Progress	At cost
Finished Goods	At cost price or net realisable value whichever is lower
Packing Material	At cost

11.2 Stock-in-process consists of either raw material laying at the floor or the semi finished goods.

11.3 Inventories are valued & certified by the management.

**NOTES : 12 TRADE RECEIVABLES**

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Un Secured and Considered Good : Outstanding for period exceeding six months from the date they are due for payment	-	-
	Other Receivables	185,729,545	91,924,195
	Total	185,729,545	91,924,195

12.1 Balances in Receivables are subject to confirmation and reconciliation if any, however in the opinion of the management there would not be any material impact on the financial statements.

NOTES : 13 CASH & CASH EQUIVALENT

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Cash-on-Hand (Cash is certified by the management)	286,132	29,414
	Balances with banks in current account	985,047	41,520,000
	in EEFC account	17,346,302	103,073,715
	in unpaid dividend accounts	618,999	674,449
	in margin money	11,842,140	2,969,141
	Total	31,078,620	148,266,719

NOTES : 14 SHORT TERM LOANS & ADVANCES

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Balances with Government Authorities		
	Cenvat Credit Receivable	22,764,276	11,760,798
	VAT Credit Receivable	2,695,443	536,823
	Export Incentive Receivable	-	1,761,568
	Excise Duty Rebate Receivable	25,967,641	294,768
	CST Receivable	-	1,480,853
	Advance to Suppliers	8,719,165	3,058,800
	Advance to Others	2,915,791	2,377,087
	Prepaid Expenses	1,922,511	760,832
	Income Tax paid	2,790,563	6,756,068
	Total	67,775,390	28,787,597

14.1 Balances are subject to confirmation and reconciliation if any, however in the opinion of the management there would not be any material impact on the financial statements.

NOTES : 15 OTHER CURRENT ASSETS

₹

SL. NO.	PARTICULARS	AS AT 31/03/2012	AS AT 31/03/2011
	Accrued Interest	676,552	348,138
	Total	676,552	348,138



Notes on Financial Statements

NOTES : 16 SALES REVENUE

₹

Sl. No.	Particulars	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
	SALES REVENUE		
	Domestic Sales	273,459,709	277,166,942
	Export Sales	485,534,024	368,384,453
	Other Sales	419,600	-
		759,413,333	645,551,395
	Less : Excise Duty & Customs Duty	66,724,842	43,884,231
	Sales Tax	8,580,447	8,040,995
		75,305,289	51,925,226
	Total	684,108,044	593,626,169

NOTES : 17 OTHER INCOME

₹

Sl. No.	Particulars	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
	Interest Income	1,050,159	579,844
	Export Incentive	-	4,473,753
	Misc Income	674,795	1,294,041
	Profit on Sale of Fixed Assets	7,000	-
	Credit Balances Written Off	296,734	-
	Total	2,028,688	6,347,638

NOTES : 18 COST OF MATERIAL CONSUMED

₹

Sl. No.	Particulars	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
	Opening Stock	35,824,914	49,040,765
	Add: Purchase	586,167,585	407,182,380
		621,992,499	456,223,145
	Less: Closing Stock	114,096,334	35,824,917
		507,896,165	420,398,228
	PACKING MATERIAL CONSUMED		
	Opening Stock	787,432	1,001,348
	Add: Purchase	10,524,247	5,806,207
		11,311,679	6,807,555
	Less: Closing Stock	755,774	787,432
		10,555,905	6,020,123
	Total	518,452,070	426,418,351


NOTES : 19 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS

₹

Sl. No.	Particulars	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
	Opening Stock		
	Stock-in- process	21,291,507	14,237,552
	Finished goods	12,562,750	7,225,750
		33,854,257	21,463,302
	Closing Stock		
	Stock-in- process	12,355,975	21,291,507
	Finished goods	87,037,500	12,562,750
		99,393,475	33,854,257
	Variance in Stocks	(65,539,218)	(12,390,955)

NOTES : 20 EMPLOYEES BENEFITS EXPENSES

₹

Sl. No.	PARTICULARS	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
	Salaries , Wages & Allowances	29,926,896	33,394,285
	Directors Remuneration	1,920,000	3,913,798
	Bonus	1,403,510	1,389,554
	Contribution to PF,ESI & Gratuity	5,452,352	14,676,729
	Compensation to employees due to Fire Accident	7,000,000	-
	Staff Welfare Expenses	4,390,913	2,663,674
	Total	50,093,671	56,038,040

NOTES : 21 FINANCIAL COSTS

₹

Sl. No.	Particulars	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
	Interest on Working Capital	11,201,270	9,892,969
	Interest to Others	447,849	1,468,075
	Net Loss/gain on Foreign Currency Transactions	8,599,899	-
	Bank Charges	3,827,427	418,847
	Total	24,076,445	11,779,891



NOTES : 22 OTHER EXPENSES

₹

Sl. No.	Particulars	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
MANUFACTURING EXPENSES			
	Power & Fuel	97,050,694	67,081,045
	Stores , Spares & Consumables	17,100,371	8,078,656
	Repairs & Maintenance		
	- Buildings	4,921,252	1,734,876
	- Plant and Machinery	11,084,132	2,032,897
	- Others	671,655	686,771
	Insurance	1,203,475	1,050,470
	Other Manufacturing Expenses	22,101,485	11,917,832
		154,133,064	92,582,547
ADMINISTRATION, SELLING AND OTHER EXPENSES			
	R & D Expenses	5,442,279	2,991,558
	Rent, Rates & Taxes	1,627,344	4,021,629
	Travelling & Conveyance	752,373	778,552
	Statutory Auditors Remuneration	580,500	540,500
	Cost Auditors Remunration	155,000	-
	Vehicle Maintenance	3,197,355	1,738,243
	Postage & Telegrams	109,885	132,347
	Printing & Stationery	308,311	335,705
	Other Expenses	3,354,346	3,850,191
	Telephone Charges	606,092	639,428
	Legal & professional Charges	1,685,984	2,424,127
	Selling & Other Expenses	7,720,166	9,630,594
		25,539,635	27,082,874
Total		179,672,699	119,665,421

**NOTES : 23 EXTRAORDINARY ITEMS**

₹

Sl. No.	Particulars	For The Year Ended 31.03.2012	For The Year Ended 31.03.2011
	Insurance claim (Net)	6,252,415	-
	Total	6,252,415	-

23.1 Please refer Note No.24 (II) (4)**NOTES – 24****DISCLOSURE OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS**

Notes annexed to and forming part of the Balance Sheet as at March 31, 2012 and the Statement of Profit & Loss for the year ended on that date:

I. SIGNIFICANT ACCOUNTING POLICIES**a) Basis of Accounting**

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis unless otherwise stated. The financial statements are prepared under the historical cost convention and comply with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Revenue Recognition

- i) Revenues from the sale of goods are recognized upon passage of title to the customers which generally coincides with their delivery.
- ii) Export incentives are recognized when the right to receive credit as per the terms of incentives is established in respect of the exports made.

c) 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.

d) Fixed Assets

Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the asset to its working condition for its intended use, less MODVAT/CENVAT Credit availed and accumulated depreciation.

e) Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss which is the excess of carrying amount over



the higher of the assets net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal is charged to the Profit & Loss Account in the respective years.

f) Depreciation

Depreciation on fixed assets has been provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956 on pro rata basis.

In respect of Plant & Machinery of EOU the depreciation is provided on straight line method on triple shift basis at the rates and in the manner specified in schedule XIV to the Companies Act, 1956 on pro rata basis.

g) Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction.

Gains and losses resulting from realizations on account of exports and imports in foreign currency remaining unrealized/ unpaid/unsettled at the year-end are recognized in the Profit & Loss Account.

Difference between the forward exchange contract rate and the exchange rate as at the date of settlement is recognized as income/expense and are accounted for in the Profit & Loss Account.

h) Employee Benefits

i) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

ii) Post employment benefits (defined benefit plans)

The employee gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service costs are recognized immediately in the Profit & Loss Account.

iii) Post employment benefits (defined contribution plans)

Contributions to the provident fund which is a defined contribution scheme, are recognized as an expense in the Profit & Loss Account in the period in which the contribution is due.

iv) Long term employee benefits

Long term employee benefits comprise of compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary using the projected unit method at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognized immediately in the Profit & Loss Account.

As per Standing orders approved by Joint Commissioner of Labour, Guntur employee is entitled Paid leaves for 15 days for a year and unutilized balance is restricted to 120 days. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to revenue in the period determined. The scheme is fully funded by way of subscription to the "Leave Encashment Scheme" of Life Insurance Corporation of India.



i) Research and Development

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate head of account.

j) Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Interest on funds utilized is recognized as revenue expense in the year in which they are incurred. All other borrowing costs are charged to the revenue account based on their use.

k) Taxation

Income tax expense comprises of current tax and deferred tax. Deferred tax is accounted for the timing differences between the book and tax profits for the year using the current tax rates.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

l) Provisions

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which the reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

m) Earnings per Share

The earnings considered in ascertaining the EPS comprises of the net profit after tax. The number of shares used in computing EPS is total number of fully paid shares comprised in the paid up share capital of the company.

II NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES

₹ in lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
a. Estimated amount of Contracts remaining to be executed on Capital account and not provided for, net of advances	36.97	114.70
b. Contingent Liabilities not provided for:		
Letters of Credit	887.91	389.61
Bank Guarantees	10.60	54.30

2. In the opinion of the Management and to the best of their knowledge and belief the value of the realization of Current Assets, loans and advances in the ordinary course of business would not be less than the amount of which they are stated in the Balance Sheet. The provision for depreciation and for all the known liabilities is adequate and not in excess of what is required.

3. During the year entire manufacturing activities of the company were temporarily shut down due to major fire broke out in Block-III of the company for 50 Days from 10th August, 2011 and operation in Block – I & II has been restarted from 29.09.2011.

4. Due to major fire in Block – III, (which has manufacturing facility of Clodinafop, Cloquintocet Mexyl, Thiamathoxam) Factory Building, Plant & Equipment, Electricals



Bhagiradha Chemicals & Industries Limited

& Stock in Process was damaged. The company is adequately insured under cost of Reinstatement policy of Assets. During the year company has received final claim of ₹ 540.01 Lakhs on account of damage. The company has made the provisions/adjustments in books of account under the head Extra Ordinary Items towards insurance claim (Net) amounting to Rs. 62.52 Lakhs, details of which are as follows,:

Particulars	Gross Block	W.D.V.	Amount claimed for reinstating	Claim Amount- Reinstatement Amount received	Expenses incurred + Excise duty paid	Accounted Profit / Loss
	1	2	3	4	5	6 (4-2-5)
Building	25,852,440	23,896,025	12,067,680	8,541,407	-	(3,526,273)
Plant & Machinery-Damaged	29,868,589	25,819,037	44,855,080	36,155,397	2,211,242	8,125,118
Electricals	2,458,837	2,082,796	9,637,500	6,140,550	101,004	3,956,750
TOTAL	58,179,866	51,797,858	66,560,260	50,837,354	2,312,246	8,555,595
Stock			5,467,049	3,163,865	-	(2,303,184)
Net Profit/Loss Accounted						6,252,411

5. The Company was Manufacturing Triclopyr, Fluroxypr, Clodinafop and Cloquintocet Mexyl under the 100% EOU Scheme. The company has got approval to exit from the 100% EOU Scheme from the "office of the Assistant commissioner of Customs & Central Excise". Now total plant is operating under DTA.

6. Segment Reporting

There are no separate reportable segments as per Accounting Standard 17, as the entire operations of the company relate to one segment, viz., Agrochemicals.

7. Related Party Transactions

Disclosure in respect of related parties as defined in Accounting Standard 18 with whom transactions have taken place during the year are given below:

- a) List of Related Parties:

(i) Key Management Personnel	Sri D. Sadasivudu, Executive Director
Sri S. Koteswara Rao,	Managing Director (upto 04.07.2010)
(ii) Associates	Nagarjuna Agrichem Limited

- b) Transactions with related parties:

Particulars	2011-12 (₹)	2010-11 (₹)
i) Sale of Raw Materials & Finished goods :		
Nagarjuna Agrichem Limited	137,710,612	127,712,808
ii) Managerial remuneration		
Managing Director	-	2,047,259
Executive Director	2,060,740	2,072,366



8. Earnings Per Share

Earning per share is calculated by dividing the profit attributable to the equity share holders by the weighted average number of equity shares outstanding during the year. The basic and diluted EPS per equity share is given hereunder:

Particulars	2011-12 (₹)	2010-11 (₹)
Profit After Tax	(28,183,170)	775,749
Weighted average no. of shares	5,053,700	5,053,700
Basic and diluted earning per share of ₹ 10/- each	(5.58)	0.15

9. The company has provided deferred tax liability/ (income) of ₹ (15,888,073/-) for the current year (Previous year net deferred tax liability ₹ (9,941,090/-) as per the Accounting Standard 22. Break up of deferred tax liabilities and reconciliation of current year deferred tax charge / income are given below:

Particulars	As at 31.03.2011 (₹)	Current Year 2011-2012 (₹)	As at 31.3.2012
Deferred tax assets / (liabilities) arising on account of timing difference			
Depreciation	(42,046,961)	1,950,910	(40,096,050)
R & D Equipment	(2,904,167)	45,590	(2,858,577)
Unabsorbed Depreciation	9,635,177	7,321,550	16,956,727
Unabsorbed Business Loss	1,450,189	6,570,022	8,020,212
Total	(33,865,761)	15,888,073	17,977,689

10. A) Particulars of remuneration to Statutory Auditors

Particulars	2011-2012 (₹)	2010-2011 (₹)
Audit Fees	450,000	425,000
Tax Audit	50,000	50,000
Fees for certification & other matters	55,500	40,500
Out of pocket expenses	25,000	25,000
Total	580,500	540,500

10. B) Particulars of remuneration to Cost Auditors

Particulars	2011-2012 (₹)	2010-2011 (₹)
Audit Fees	150,000	-
Out of pocket expenses	5,000	-
Total	155,000	-



11. Particulars of Expenditure on Research & Development

Particulars	2011-2012 (₹)	2010-11 (₹)
Capital	-	-
Recurring	5,442,279	2,991,558
Total	5,442,279	2,991,958
R & D Expenditure as % of Turnover	0.80	0.50

12. a) The Company uses Forward Exchange Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not enter into any such instruments for trading or speculative purpose.

	31.03.2012	31.03.2011
Forward Exchange Contracts :		
No.of Contracts	2	1
Type	Sell	Sell
US \$ Equivalent	350,000	335,000
INR Equivalent	17,785,500	15,822,050

- (b) The year end foreign currency exposures that have not been hedged are given below:

Year ended 31.03.2012				Year Ended 31.03.2011		
	Currency	FC Amount	Rupee Equivalent	Currency	FC Amount	Rupee Equivalent
Purchase of Goods	USD	1171498	5,94,53,529	USD	272473	1,22,34,699
Sale of Goods	USD	2507300	1,27,24,575	USD	1268675	5,18,88,828
				EURO	120875	74,94,250

13. VALUE OF RAW MATERIALS CONSUMED

Particulars	2011-2012		2010-2011	
	Value	% to total consumption	Value	% to total consumption
Imported	201,962,697	39.76	215,039,651	51.15
Indigenous	305,933,468	60.24	205,358,577	48.85
Total	507,896,165	100.00	420,398,228	100.00

14. Value of imports on CIF Basis

Particulars	2011-2012	2010-2011
Raw Materials	260,619,115	178,077,102
Total	260,619,115	178,077,102

**15. Expenditure in Foreign Currency**

Particulars	2011-2012	2010-2011
Sales Commission	631,880	1,007,711
Interest	335,945	-
Total	967,725	1,007,711

16. Earnings in Foreign Currency

Particulars	2011-2012	2010-2011
FOB value of exports	443,831,002	358,048,292
Total	443,831,002	358,048,292

- 17.** During the year ended 31st March, 2012 the revised Schedule VI notified under the Companies act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous years figures in accordance with the requirements applicable in the current year.

As per our attached report of even date

For and on behalf of the Board

For R Kankaria & Uttam Singhi

Chartered Accountants

Firm Registration No.000442S

Uttam Kumar Singhi

Partner

Membership No.027481

Place : Hyderabad

Date : 29.05.2012

D. Ranga Raju

Chairman

K. Gopala Krishna

General Manager (Finance)

D. Sadasivudu

Executive Director

J.R. Nagajayanthi

Company Secretary



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

IMPORTANT INFORMATION TO SHAREHOLDERS

The Securities and Exchange Board of India has notified that the shareholders / transferee(s) (including joint holders), holding shares in physical form are required to furnish a certified copy of their PAN card to the Company /RTA while transacting in the securities market in relation to transfer, transmission of securities or any other corporate action. Accordingly, all the shareholders / transferee(s) including joint holders are requested to furnish a certified copy of their PAN card to the Company/RTA while transacting in the securities market in relation to transfer, transmission of securities or any other corporate action along with the format appended below or email the format to Email : investor.bcil@bhagirad.com / xlfield@rediffmail.com

Name : _____

Address : _____

Folio No / DP ID and client ID : _____

PAN No.s of all share holders : _____

Please enclose certified copy of PAN card of each Shareholder

Email ID of 1st named share holder : _____

Date : _____

Place : _____

Signature



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

Regd. Office: 8-2-269/S/3/A, Sagar Society, Road No.2,

Banjara Hills, Hyderabad - 500 034.

Website: www.bhagirad.com

Email ID: investor.bcil@bhagirad.com

Dear Members,

Sub: Green initiative in Corporate Governance - Electronic Mode of service of documents The Ministry of Corporate Affairs ("MCA") has, vide its circular nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 permitted companies to send documents like Notices of Meetings, Annual Reports and other shareholder communication through electronic mode. Further, Clause 32 of the Listing Agreement with Stock Exchanges permits dispatch of the aforesaid documents through electronic mode to those of its members who have registered their email address with the Company for this purpose.

The Company proposes to send the Annual Report for the year ended 31st March, 2012 together with the Notice of Annual General Meeting and all subsequent shareholder communication in electronic mode to the email address registered by its members with the Depositories viz. NSDL and CDSL and made available to the Company by the Depositories.

The Annual Report for the year ended 31st March, 2012 will also be made available on the Company's website www.bhagirad.com.

However, in case you do not wish to receive the said documents in electronic mode and want to receive the same in physical form, kindly send an email to Email : investor.bcil@bhagirad.com or write to us quoting your DP ID and Client ID or Folio No., on or before 21st July, 2012 to enable the Company to send you a physical copy of the said documents. Please note that members on request can receive the above said documents at free of cost from the Company's Registered Office.

J.R. Nagajyanthi
Company Secretary



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

Regd. Office: 8-2-269/S/3/A, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

PROXY FORM

I/We _____
_____ of _____
_____ a member of _____ Bhagiradha
Chemicals & Industries Limited hereby appoint _____ of _____
_____ or failing him _____
_____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf of the Nineteenth Annual General Meeting of the company, to be held on Hotel Green Park, Greenlands, Ameerpet, Hyderabad-500 016 at 14:00 hrs on Wednesday the 8th day of August, 2012 and any adjournment hereof.

Signed this _____ day of _____ 2012

Member's Folio No. / DP ID & Client ID : _____

No. of Shares Held : _____

Affix
₹ 1/-
Revenue
Stamp

Note: The proxy must be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

Regd. Office: 8-2-269/S/3/A, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

ATTENDANCE SLIP

I hereby record my presence at the Nineteenth Annual General Meeting held at Hotel Green Park, Greenlands, Ameerpet, Hyderabad-500 016 at 14:00 hrs on Wednesday the 8th day of August, 2012.

Name of the Attending Shareholder _____
(In Block Letters)

Name of the Proxy _____
(To be filled in if the Proxy attends instead of the Shareholder)

SIGNATURE OF THE SHAREHOLDER / PROXY

Member's Folio No. / DP ID & Client ID : _____

No. of Shares Held : _____

Note : Shareholders/proxy holders are requested to bring the Attendance Slips with them, duly completed

