

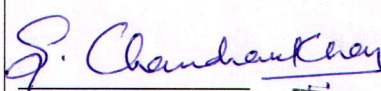
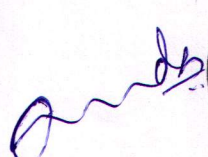
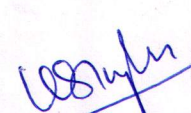

**BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**

CIN L24219AP1993PLC015963

Plot No. 3, Sagar Society Road No. 2, Banjara Hills, Hyderabad 500034

Website: [www.bhagirad.com](http://www.bhagirad.com);**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**  
[in terms of clause 31(a) of the listing agreement with the stock exchange]

1.	Name of the Company	Bhagiradha Chemicals & Industries Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none"><li>CEO/Managing Director</li></ul>	 (S. Chandra Sekhar)
	<ul style="list-style-type: none"><li>CFO/General Manager ( Finance)</li></ul>	 (K. Gopala Krishna)
	<ul style="list-style-type: none"><li>Auditor of the Company</li></ul>	 (Uttam Kumar Singhi- Partner) M/s. R. Kankaria & Uttam Singhi Chartered Accountants
	<ul style="list-style-type: none"><li>Audit Committee Chairman</li></ul>	 (Sudhakar Kudva)



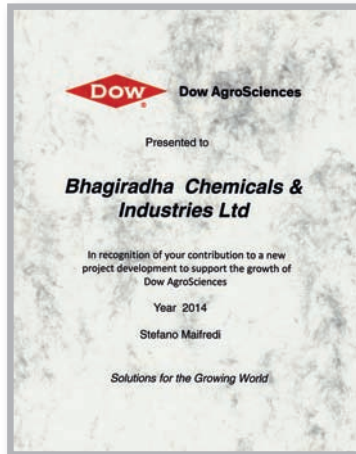


# **Bhagiradha Chemicals & Industries Limited**

21<sup>st</sup> ANNUAL REPORT  
2013-2014







## Our Customer Philosophy & Accolades

Strong customer relationships are at the heart of any successful services business. We pride ourselves on our ability to operate in partnership with our customers, working closely to deliver jointly agreed objectives and knowing each customer and their environment well enough to be able to anticipate their future requirements.

Bhagiradha Chemicals & Industries Limited (BCIL) believes that the most enduring partnering arrangements are built around trust, honesty, identifying mutual trust, and most importantly, meeting, even exceeding the expectation.

BCIL has always aimed at building an enduring reputation that BCIL is not just an organization which delivers the agrochemical, but is easy and pleasurable to do business with.

Our customers stand testimony to our delivery, quality and value addition over years of association.

Recently, one of our esteemed customers, M/s Dow Agrosciences applauded by presenting a memento to BCIL, for the contributions made to a new project development to support its growth.

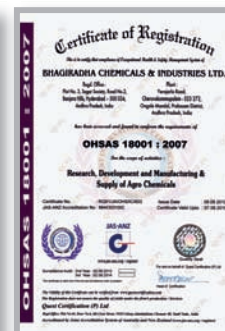
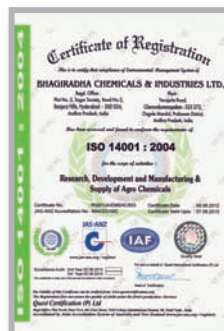
## Our Certifications

Manufacturing without comprising on quality and environment has been the prime objective of BCIL.

For strict management, satisfactory products and first-class customer service, our company is highly praised in the trade.

BCIL adheres to a Quality Policy that calls for every employee to pursue total customer satisfaction through continual quality improvement. Our dedication to that policy is evident in our products, our processes and our work environment itself. The company has received ISO9001:2008 Quality System Certification, ISO14001: 2004 Environmental Management System Certification and OHSAS18001: 2007 Occupational Health and Safety Management Certification.

On 28th April 2014, the company was felicitated by the Department of Factories, Government of Andhra Pradesh on the 'World Day for Safety and Health at work for following the best safety and health practices at work place especially in the use of chemicals.





## BOARD OF DIRECTORS

<b>D. Ranga Raju</b>	Chairman
<b>K.S. Raju</b>	Director
<b>Sudhakar Kudva</b>	Director
<b>D. Sadasivudu</b>	Director
<b>S. Chandra Sekhar</b>	Managing Director

## BANKERS

State Bank of India  
Axis Bank Limited  
Bank of India

## 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](mailto:info@bhagirad.com)  
Website: [www.bhagirad.com](http://www.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](mailto:xlfield@rediffmail.com)

## 21<sup>st</sup> Annual General Meeting

Day	:	Monday
Date	:	11 <sup>th</sup> August 2014
Time	:	11.00 AM
Venue	:	Marigold by Green Park, Greenlands, Begumpet, Hyderabad - 500 016.

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## **NOTICE**

NOTICE is hereby given that the Twenty First Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Monday the 11th day of August, 2014 at 11.00 hrs at Marigold by Green Park, Greenlands, Ameerpet, Hyderabad 500016** to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the company for the year ended 31<sup>st</sup> March 2014 including the audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon of the company.
2. To declare a dividend of ₹ 1.00 /- per Equity Share on 50, 53,700 Equity Shares of ₹ 10/- each for the financial year 2013-14.
3. To appoint a Director in the place of Shri Kanumuru Satyanarayana Raju (holding DIN number 00008177), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 24th Annual General Meeting and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

RESOLVED THAT subject to ratification by the shareholders at every Annual General Body Meeting, M/s. R. Kankaria & Uttam Singhi, Chartered Accountants, (bearing ICAI Firm Registration No.000442S) be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this 21<sup>st</sup> Annual General Meeting until the conclusion of the 24<sup>th</sup> Annual General Meeting of the company and that their remuneration be fixed by the Board of Directors.

### **SPECIAL BUSINESS**

5. **To appoint Shri D. Ranga Raju (holding DIN 00066546) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory

modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Listing Agreement, Shri D. Ranga Raju (holding DIN 00066546), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office from 11<sup>th</sup> August 2014 to 10<sup>th</sup> August 2019.

6. **To appoint Shri Sudhakar Kudva (holding DIN 02410695) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Listing Agreement, Shri Sudhakar Kudva (holding DIN 02410695), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 10<sup>th</sup> August 2019”

7. **To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution**

“RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the Cost Auditors, M/s. Sagar & Associates, Cost Accountants are be and hereby appointed for the financial year ending 31<sup>st</sup> March 2015 on remuneration recommended by the Audit Committee and approved by the Board of Directors.

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

By Order of the Board

Sd/-

Place : Hyderabad  
Date : 28.05.2014

**JR NAGAJAYANTHI**  
Company Secretary





## ANNEXURE TO NOTICE:

### I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the business mentioned in Item no. 4 to 7 of the accompanying Notice:

#### Item No. 4:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s. R. Kankaria & Uttam Singhi, Chartered Accountants, (bearing ICAI Registration No.000442S have been appointed as the statutory auditors of the Company since inception and have completed over 20 (Twenty) years.

As per the provisions of section 139 of the Companies Act 2013 read along with rules framed there under, no listed company can appoint or re-appoint an audit firm or firms under the same network, as auditor for more than two terms of five consecutive years. The period for which the individual or the firm has held office as auditor prior to the commencement of the Act i.e., prior to 1<sup>st</sup> April 2014, shall be taken into account for calculating the period of five consecutive years or ten consecutive years, as the case may be. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. R. Kankaria & Uttam Singhi, Chartered Accountants, (bearing ICAI Registration No.000442S being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 28th, 2014, proposed the appointment of M/s. R. Kankaria & Uttam Singhi, as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the 24<sup>th</sup> AGM of the Company to be held in the year 2017, subject to ratification of their appointment at every AGM.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

#### Item No. 5 & 6

Shri D.Ranga Raju & Shri Sudhakar Kudva have been appointed as Directors of the Company, at various times, pursuant to Clause 49 of the Listing Agreement, whose office was liable to retirement by rotation. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149 of the Act, which has been notified w.e.f 1st April 2014, who are not liable to retire by rotation and shall hold office for a term up to 5 (five) consecutive years. The Securities and Exchange Board of India (SEBI) has also amended Clause 49 of the Listing Agreement inter-alia stipulating similar conditions for the appointment of Independent Directors by a Listed Company.

It is proposed to appoint Shri D.Ranga Raju & Shri Sudhakar Kudva as Independent Directors under Section 149 of the Act and Clause 49 (revised) of the Listing Agreement to hold office for 5 (five) consecutive years from 11<sup>th</sup> August 2014 up to 10<sup>th</sup> August 2019.

The Company has received declarations from Shri D.Ranga Raju & Shri Sudhakar Kudva that they meet with criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Brief resume of Shri D.Ranga Raju & Shri Sudhakar Kudva, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri D.Ranga Raju & Shri Sudhakar Kudva for the office of Directors of the Company.

Shri D.Ranga Raju & Shri Sudhakar Kudva are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the Act, is of the opinion that Shri D.Ranga Raju & Shri Sudhakar Kudva fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act and Clause 49 of the Listing Agreement. The Board of Directors of your Company is also of the opinion that Shri D.Ranga Raju & Shri Sudhakar Kudva are independent of the management of the Company.



The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri D.Ranga Raju & Shri Sudhakar Kudva as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri D.Ranga Raju & Shri Sudhakar Kudva as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company.

Copy of the draft letters for respective appointments of Shri D.Ranga Raju & Shri Sudhakar Kudva as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Shri D.Ranga Raju & Shri Sudhakar Kudva are interested in the resolutions set out respectively at Item Nos. 5 & 6 of the Notice with regard to their respective appointments.

The relatives of Shri D.Ranga Raju & Shri Sudhakar Kudva may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 & 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the Ordinary Resolutions set out at Item Nos.6 and 7 of the Notice for approval by the shareholders.

**Item No 7:**

The Board of Directors, on recommendation of the Audit committee, at their meeting held on May 28th 2014, has approved the appointment and remuneration of the M/s. Sagar & Associates , Cost Accountants in practice, as Cost Auditors of the company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 on a remuneration of ₹ 75,000/- (Rupees Seventy five Thousand Only).

Pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the Company, if appointed.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

By Order of the Board

Sd/-

Place : Hyderabad  
Date : 28.5.2014

**JR NAGAJAYANTHI**  
Company Secretary



### Details of the Directors seeking appointment/reappointment as Directors at this Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Particulars	Shri KS RAJU	Shri D. Ranga Raju	Shri Sudhakar Kudva
DIN	00008177	00066546	02410695
Date of Birth	29th June 1950	20th June 1934	6th December 1950
Date of Appointment	29th July 2005	4th March 1995	31st October 2010
Qualifications	Graduate in Mechanical Engineering from the University of Mysore	Graduate in commerce	Fellow Member of the Institute of Chartered Accountants of India.
Expertise in Specific Functional Areas	Industrialist having rich business experience in managing various industrial enterprises	Has extensive experience in manufacturing and marketing of agricultural chemicals	Highly experienced in various senior positions and his experience includes International Trading and Contracting, Financial Services, Manufacturing of alloy and carbon steel, seamless tubes, Mining, Port operations and Logistics. His areas of experience include Accounting, Financial Management, Treasury Management and General Management.
Directorships held in other Public Limited Companies	Nagarjuna Fertilizers and Chemicals Ltd Nagarjuna Oil Corporation Limited Jaiprakash Engineering and Steel Company Ltd Nagarjuna Oil refinery Limited Nagarjuna Agrichem Ltd New India Finance Limited	Vijaynagar Biotech Limited Nagarjuna Agrichem Limited Nagarjuna Oil Refinery Limited	Nagarjuna Agrichem Limited Nagarjuna Oil Refinery Limited
Memberships / Chairmanships of Committees of other Companies	<b>Nagarjuna Fertilizers and Chemicals Ltd</b> Shares and debenture committee <sup>(C)</sup> Investor Grievances committee <sup>(C)</sup> Audit Committee-(M) <b>Nagarjuna Oil refinery Limited</b> Audit Committee <sup>(M)</sup> Shareholders/Investor Grievance Committee <sup>(M)</sup> <b>Nagarjuna Agrichem Ltd</b> Audit Committee (M) <b>Nagarjuna Corporation Limited</b> Audit Committee (M),	<b>Vijaynagar Biotech Limited</b> Audit Committee <sup>(M)</sup> <b>Nagarjuna Corporation Limited</b> Audit Committee <sup>(M)</sup> Shareholders & Investor Grievance Committee <sup>(C)</sup>	<b>Nagarjuna Agrichem Ltd</b> Audit Committee <sup>(M)</sup> Share Transfer Committee <sup>(M)</sup>
Number of shares held in the company	Nil	Nil	Nil

<sup>(C)</sup>Chairman and <sup>(M)</sup>Member





## NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The instrument of Proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

- The Board of Directors has recommended for consideration of the Members a dividend of ₹ 1 (10% on equity shares of the nominal value of ₹ 10 each) for the year ended 31st March, 2014.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Items No. is annexed hereto.
- The Register of Members and the Share Transfer books of the Company will remain closed from Monday 4<sup>th</sup> August, 2014, to Monday, 11<sup>th</sup> August, 2014 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
- Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 21<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with admission Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes.

However, those members who desire to have a physical copy may request for the same. For members who have

not registered their e-mail address, physical copies of the Annual Report are being sent in the permitted mode.

- 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
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 1956, the company has transferred ₹ 81,625/- (₹ Eighty One Thousand Six Hundred and Twenty Five 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 1956.

- The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA sending an e-mail at of the Company would also be made available on the Company's website [www.bhagirad.com](http://www.bhagirad.com).



## 8. E-voting:

In compliance with Section 108 of the Companies Act 2013 and Rule 20 of the Companies Management and Administration Rules 2014, the company is pleased to provide its shareholders with facility to exercise their right to vote at the 21<sup>st</sup> Annual General Meeting (AGM) by electronic means and the Business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL)

The Company has signed an Agreement with CDSL for facilitating e voting to enable the shareholders to cast their vote electronically.

### The instructions given are as under:-

#### In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "company name- **BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**" from the drop down menu and click on "SUBMIT"
- (iv) Now enter your User ID as given in overleaf in the Box.
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

# Please enter any one of the details in order to login. Incase both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote,





## Bhagiradha Chemicals & Industries Limited

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provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Bhagiradha Chemicals & Industries Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### GENERAL INSTRUCTIONS:

- (A) In case of members receiving the physical copy, Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on **Monday the 4<sup>th</sup> day of August 2014, at 10.00 AM** and ends on **Wednesday the 6<sup>th</sup> of August 2014 at 6.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 7<sup>th</sup> July 2014 may cast their vote electronically. **The e-voting module shall be disabled by CDSL for voting thereafter.**
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) Mr. Hari Vara Prasada, Practising Chartered Accountant (Membership number 29740) of M/s. Hari Vara Prasada & Associates have been appointed as Scrutiniser for conducting the e voting process in a fair and transparent manner.
- (E) The Results shall be declared on or after the AGM of the company. The results declared along with the scrutiniser Report shall be placed on the company's website of CDSL within two (2) days of passing the resolutions at the AGM of the company and communicated to the BSE limited.

By Order of the Board

Sd/-

**JR NAGAJAYANTHI**  
Company Secretary

Place : Hyderabad  
Date : 28.5.2014



## DIRECTORS' REPORT

To  
The Shareholders

Your Directors have pleasure in presenting the Twenty First Annual Report together with the audited accounts of the company for the year ended 31st March 2014.

### Financial Results

	₹ in lakhs	
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net sales and other income	17,301	14,615
Operating profit (PBDIT)	1,129	1,010
Less: Depreciation	481	368
Less: Interest	432	351
Profit before tax	216	291
Less: Provision for tax (Incl. deferred tax)	20	94
Profit after tax	196	197
Balance brought forward from previous year	3,340	3,143
Profit available for appropriation	3,536	3,340
<b>Appropriations:</b>		
Proposed dividend	51	-
Dividend tax	8	-
Transfer to general reserve	50	-
Balance carried forward to next year	3,427	3,340
	3,427	3,340

### Operations

The Board of Directors are pleased to inform that the company has achieved a turnover of ₹ 173 crores. The net revenue from operations for the current year was ₹ 17,301 lakhs (₹ 14,615 Lakhs) The Profit before tax was ₹ 216 Lakhs as against a profit of ₹ 291 lakhs during the financial year 2012-2013.

### Dividend

Your Directors are now pleased to recommend a dividend of 1/- per equity share (10% on nominal value of equity

shares of ₹10 each) for your consideration and approval at the ensuing Annual General Meeting of the Company

During the year, dividend amounting to ₹ 81,625/- (Rupees Eighty One Thousand Six Hundred and Twenty Five only) that had not been claimed by the shareholders for the year ended 31st March, 2006, was transferred to the credit of Investor Education and Protection Fund as required under Section 205A read with Section 205C of the Companies Act, 1956.

### 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 Forests.

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 guidelines to monitor control & minimize generation of wastes. The company has installed Opacity Meter and 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended 31st March 2014 and of the Profit 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.

In accordance with the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India, it is hereby confirmed that proper systems are in place to ensure compliance of all laws applicable to the Company.

### 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 Earning 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

R&D continues to do good job in Research. Over the years,

it has adopted 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 new products and various developments in processes. To generate revenues through licensing of intellectual property, it has displayed different process technologies.

### Directors

Shri KS Raju, Director retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

As per the notification of section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri D.Ranga Raju and Shri Sudhakar Kudva, Directors as Independent Directors for five consecutive years for a term upto 31st March 2019. Detail of the proposal for appointment of Shri D.Ranga Raju and Shri Sudhakar Kudva, Directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 21st Annual General Meeting.

### Auditors' Report

The Auditors' Report is clean and there are no qualifications in their Report.

### 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. retire at the conclusion of the forthcoming Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the provision prescribed under Section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment.

### Cost Auditors

The Company had appointed M/s Sagar & Associates., Cost Accountants, to audit its cost accounting records relating to year 2012-13. The due date for filing the Cost Audit Report with the Ministry of Corporate Affairs was 27th September, 2013. The Cost Audit Report was filed with Ministry of Corporate Affairs on 25th September, 2013.

The Company is seeking the ratification of the Shareholders for the appointment of M/s Sagar & Associates, Cost



Accountants as the Cost Auditors of the Company for the financial year 2014-15 vide resolution No. 7 of the Notice of AGM.

**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 2014-2015 to the BSE Limited

**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, 1956.

**Corporate Governance**

As required by the existing Clause 49 (VII) of the Listing Agreement entered into with the Stock Exchange, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

**Acknowledgement**

We thank our customers, vendors, investors and bankers namely Bank of India, 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, the state governments 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

Sd/-

Place : Hyderabad  
Date : 28.05.2014

**D. Ranga Raju**  
Chairman





## ANNEXURE TO THE DIRECTORS' 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:

#### Disclosure of Particulars with respect to Conservation of Energy, Power and Fuel Consumption:

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>I. ENERGY CONSERVATION POWER &amp; FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
i) Purchased units (kwh)	13,619,615	10,152,929
Total Amount (₹)	91,090,668	66,661,222
(including demand charges)		
Unit Rate (₹)	6.69	6.57
ii) Own Generation (on Diesel)		
a) Diesel Consumption (Ltrs)	157,820	271,500
No of Units	473,460	795,322
Units per Litre of Diesel oil	3.00	2.93
Total Amount (₹)	8,806,467	12,908,325
Unit Cost (₹)	18.60	16.23
b) Steam Turbine Generation		
No of Units	Nil	Nil
Units/Litre of Diesel	Nil	Nil
Cost/Unit (₹)	Nil	Nil
<b>2. 'C' Grade Coal used in Boiler</b>		
Quantity (MT)	16,000	13,274
Total Cost (₹)	91,274,335	72,144,069
Average Rate / MT	5,705	5,435
<b>3. Furnace Oil</b>		
Quantity (MT)	170,400	521,620
Total Cost (₹)	7,693,936	22,716,205
Average Rate / MT	45.15	43.55
<b>4. Others / Internal Generation</b>		
Quantity (MT)	Nil	Nil
Total Cost (₹)	Nil	Nil
Average Rate / MT	Nil	Nil
<b>II. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity purchased & Own Generation (Units)	4,380	3,957
Furnace Oil (Ltrs)	53	189
Coal - Quality 'C' Grade (MT)	4.97	4.38



**FORM - B**  
(See Rule - 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

**Research and Development**

Working closely with customers in the marketplace, BCIL recognises the requirement for the highest level of support in product research, development and registration. The Company's R&D strategy is to continue to invest in innovative formulations which are essential to the growth of agro chemical companies. The R&D teams have successfully worked and implemented various processes upgradation methods through backward integration of production process, developed viable processes for several production processes and developed new chemicals.

- 1) Specific areas in which R&D is carried out by the company
  - Process development for generic pesticides and intermediates and scaling up of production.
- 2) Benefits derived as a result of the above efforts:  
During the financial 2013-14, the company has-
  - Conducted trial runs for newly developed products and intermediates
  - Commenced the manufacturing of Azoxystrobin.
  - Filed 5 patents during the year 2013-2014 trial runs will be conducted in the forth coming year.
- 3) Future plan of action
  - Development of technologies for new products and inventing cost efficient processes.
- 4) Expenditure on R&D for the year 2013-2014

₹ in lakhs

- Capital	9.68
- Recurring	97.01
- <b>Total</b>	<b>106.69</b>
- R&D expenditure as a percentage of total turnover	0.62

**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	13,904.58
- Outgo	5,014.47





## **ANNEXURE**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Overall market scenario:**

The financial year 2013-14 has been challenging for the entire economy. Economic growth declined across all sectors due to various domestic and external reasons. Industries across the realm had to tackle high inflations, growing interest rates, fluctuating foreign currency, increased price of raw materials and huge power costs.

#### **Operational performance of the company:**

In this tough operating environment the company has sustained itself in terms of top line and has registered turnover of ₹ 173/- crores. The company has conducted trial runs for Fipronil during the year.

In spite of sustainable operations and new initiatives, the company's bottom line shrunk due to the external market forces. The increased price of raw material, growing interest rates and high inflationary trends had exerted pressure on the bottom line.

#### **STRENGTHS**

With over 21 years of expertise in the manufacture of technical grade agrochemical active constituents and the State of Art manufacturing unit consisting of three production blocks with annual capacity of 3,250 Tonnes the company is well poised to advance to next level of operations.

Backed by highly competent R&D unit, the company is to adept to overcome the internal and external hurdles. Company's R&D is in continuous look out for new effective and efficient cost effective production process and product development. The R&D unit is not only amenable to absorb the changes in business environments and develop new innovations, but is also able to minimize the time taken to

convert an idea into innovation and thereby leading to its profitable commercialization.

Prioritizing the manufacture of quality products, rational and effective use of available resources and minimization of waste has helped the company to maintain healthy organic growth. Your company is an ISO 9001:2008 certified company. It constantly bench marks its operations against the best-in-class companies across the segment to identify the good practices and emerging thought leadership adds to long term value to the various stakeholders.

#### **OPPORTUNITIES AHEAD**

India is one of the fast developing agrarian economies in Asia Pacific region with over 75 % of population dependent on Agriculture which is dependent on the four main factors viz: water, fertilizers, seed and pesticides. Over the XII five year plan period, the segment is expected to grow at 12% to 13% per annum with domestic demand growing at 8% to 9% per annum and export demand at 15% to 16% per annum

Though India has marked its place in the production, still its per capita consumption of pesticides is just 0.6 Kg per Hectare which is the lowest in the world. With the modernization of agriculture, the demand for high yielding quality of pesticide is bound to increase. Due to the current low per capita consumption of pesticides there is large room for multi-fold growth.

#### **THREATS & MEASURES TO COMBAT THEM:**

The company keeps constant watch on business climate competitions, legislations regarding environment and social concerns as well as the threats and business risks. The proactive management concentrates not on the cause of threats but on finding of cost efficient and effective solutions to what it perceives as potential threat.

**a) Operational:**

The prices of raw material continued to rise during the year. This frequent upward revision in the prices of raw material continues, it would mount further pressure on the bottom line. To overcome this, the company has been working strategically and has undertaken backward integration process to start production from the basic raw material for Azoxystrobin.

The uncertainty in power supply continues to pose major risk as the industry is power intensive. The company has installed sufficient diesel power generators and has entered into power purchase agreement with third party private power providers to assure uninterrupted power supply to the entire facility.

**b) External threats:**

The domestic industry is characterized by over-capacity, low capacity utilization and unsustainable levels of production from many units. Backed by highly efficient and competent R&D unit, the company aims to achieve optimal manufacturing process and substantial capacity improvement in plant.

With the increasing trend of low dosage, high potency molecules usage, the market for usage of high volume pesticides is expected to decline. And in order to overcome this threat, the company is focusing on R&D by laying greater emphasis on development of non infringing alternate viable manufacturing process resulting in intellectual property development.

**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.

**SEGMENT WISE PERFORMANCE:**

The company has only one segment of activity namely agrochemicals as per Accounting Standard 17 issued by Institute of Chartered Accountants of India. The performance of the company is discussed separately in this report.

**INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT**

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

The employee strength as on March 31<sup>st</sup>, 2014 was 331

**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.

In accordance with the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India, it is hereby confirmed that proper systems are in place to ensure compliance of all laws applicable to the Company.

### **II. Board of Directors**

#### **a) Composition of the Board**

As on 31<sup>st</sup> March, 2014, 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, three 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	Whether attended previous AGM held on 08-08-2013	No. of Directorship	No. of Committee Positions in other companies (Audit & share committee)	
						Member	Chairman
1.	Shri D. Ranga Raju	Non-Executive Independent	4	Yes	3	2	None
2.	Shri S. Chandra Sekhar	Executive Promoter	4	Yes	2	None	None
3.	Shri D. Sadasivudu	Non Executive Promoter	4	Yes	None	None	None
4.	Shri K.S. Raju	Non-Executive	4	No	6	1	-
5.	Shri Sudhakar Kudva	Non-Executive Independent	4	Yes	2	1	-

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 2013-2014 the Board of Directors have held four meetings on following dates: 18<sup>th</sup> May 2013; 8<sup>th</sup> August 2013; 7<sup>th</sup> November 2013 and 10<sup>th</sup> February 2014

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

**Shri K.S. Raju** is a Graduate in Mechanical Engineering from the University of Mysore. Under his leadership, the Nagarjuna Group has made its presence felt in Agro Chemicals business and also ventured out into Refinery and Power sectors. Shri K.S. Raju was appointed Director of Bhagiradha Chemicals & Industries Limited on 29-07-2005.

**Shri D. Ranga Raju** is a Commerce Graduate has extensive experience in manufacturing and marketing of agrochemicals. Shri D Ranga Raju is associated with the company as a director since March 1995. The names of the other companies in which Shri D. Ranga Raju is a director are given hereunder:

1. Vijaynagar Biotech Limited
2. Nagarjuna Agrichem Limited
3. Nagarjuna Oil Refinery Ltd

Shri D. Ranga Raju is a member of the Audit Committee in Vijaynagar Biotech Limited and a member of the Audit Committee and the Shareholders/Investor Grievance Committee of Nagarjuna Agrichem Limited.

**Shri Sudhakar Kudva** is a Chartered Accountant with immense experience in international trading and contracting, financial services, treasury management and general management and has held various senior positions in India and Abroad. He has been associated with various prestigious companies like Nagarjuna Group, Indian Seamless Group, Arcelor Mittal, Algeria The name of other companies in which he is a director are given hereunder:

Nagarjuna Agrichem Limited

Nagarjuna Oil Corporation Limited

### 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 31st, 2014. A declaration signed by the Managing 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
Shri Sudhakar Kudva	Independent & Non executive	Chairman
Shri D. Ranga Raju	Independent & Non Executive	Member
Shri S.Chandra Sekhar	Managing Director & Promoter	Member

Shri Sudhakar Kudva is a member of Institute of Chartered Accountants of India and has over 39 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 Exchange. The brief description 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.
- iv) Reviewing with the management the annual financial statement before submission to the Board.
- v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi) Reviewing with the management the performance of statutory and internal auditors the adequacy of internal control systems.
- vii) 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.
- viii) Discussion with internal auditors any significant findings and follow up there on.
- ix) 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.
- x) 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.
- xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders if any, share holders (in case of non-payment of declared dividends) and creditors.
- xii) To review the function of Whistle Blower mechanism, in case the same is existing.
- xiii) 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."
- xiv) 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, five meetings of the audit committee were held on the followings dates: 18th May 2013; 8<sup>th</sup> August 2013; 7<sup>th</sup> November 2013 and 10<sup>th</sup> February 2014. The attendance of each of the members of the Committee is given below:

Date of Meeting	D. Ranga Raju	Sudhakar Kudva	S. Chandra Sekhar
18.5.2013	YES	YES	YES
8.8.2013	YES	YES	YES
7.11.2013	YES	YES	YES
10.2.2014	YES	YES	YES
<b>Total number of meetings attended</b>	<b>4</b>	<b>4</b>	<b>4</b>

The President (Finance), 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.



#### IV. 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 Shri D. Ranga Raju, Shri Sudhakar Kudva and Shri K.S. Raju are the members of the remuneration committee. The Chairman of the Committee is Shri 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's 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 2013-2014 are given below:

(RS in lakhs)

Name of the Director	Salary	Perquisites	Sitting Fees	Total
Shri D.Sadasivudu	—	—	0.60	0.60
Shri D. Ranga Raju	—	—	1.00	1.00
Shri K.S. Raju	—	—	0.30	0.30
Shri Sudhakar Kudva	—	—	1.00	1.00
Shri S. Chandra Sekhar	33.41	2.59	—	36.00
<b>TOTAL</b>	<b>33.41</b>	<b>2.59</b>	<b>2.90</b>	<b>38.90</b>

The number of shares held by the Directors as on 31.03.2014 is given below.

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

#### V. Share Transfer & Investor's Grievance Committee

The committee presently comprises of Shri D. Ranga Raju, Shri Sudhakar Kudva and Shri D. Sadasivudu as members. The Chairman of the Committee is Shri 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, one meeting of the committee was held on 17.2.2014. The attendance of each of the members of the Committee is given below:

Name	No. of meetings attended
Shri D. Ranga Raju	1
Shri D.Sadasivudu	1
Shri Sudhakar Kudva	1





## Bhagiradha Chemicals & Industries Limited

The General Manager-Finance is the Compliance officer of the company. The company has received investor complaints during the year 2013-2014. No complaints were pending as on March 31st, 2014. There were no share transfers pending as on March 31st, 2014.

### VI. General Body Meeting

#### I. Location & time of last three Annual General Meetings

Date	Time	Venue	No.of Special Resolutions Passed
08.08.2013	10.30 AM	Hotel Green Park, Ameerpet, Hyderabad	None
08.08.2012	2.30 PM	Hotel Green Park, Ameerpet, Hyderabad	One
10.08.2011	10.30 AM	Hotel Green Park, Ameerpet, Hyderabad	none

- II. One Special Resolution relating to Appointment of Shri S. Chandra Sekhar as Managing Director and fixing his remuneration thereof was passed in the 19<sup>th</sup> AGM held on 8.8.2012 out of previous 3 AGMs.
- III. No Resolution, requiring Postal Ballot as required by the Companies (passing of resolution by postal ballot) Rules, 2001 was passed in last year.
- IV. As there was no resolution passed through Postal Ballot, No Scrutinizer was required to be appointed.
- V. No Special Resolution is proposed to be conducted through Postal Ballot.
- VI. There were no Extraordinary General Meetings in the last three years

### VII. 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 2013-2014, 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 carried out at 'Arms Length' basis and are disclosed in Note 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 regularly 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.

## VIII. Means of Communication

### I) Quarterly Results:

As per Clause 41 of the Listing Agreement of BSE Limited, 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:

Newspaper in which results are normally published:

English - Business Standard/Financial Express/Financial Chronicle

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

### (ii) Any website, where displayed: [www.bhagirad.com](http://www.bhagirad.com)

(iii) Whether it also displays official news releases and presentation made to institutional investors or to the analysts.

There were no presentations made to the Institutional Investors or Analysts during the year 2013-2014

## IX. General Shareholder information

### i) Twenty First Annual General Meeting

Date : 11th August 2014

Day : MONDAY

Time : 11.00 AM

Venue : MARIGOLD by Green Park

### ii) Financial Year : April to March

#### TENTATIVE REPORTING SCHEDULE

- Financial reporting for the quarter ending 30<sup>th</sup> June, 2014 : 2<sup>nd</sup> week of August 2014
- Financial reporting for the quarter ending 30<sup>th</sup> September, 2014 : 2<sup>nd</sup> week of November 2014
- Financial reporting for the quarter ending 31<sup>st</sup> December, 2014 : 2<sup>nd</sup> week of February 2015
- Financial reporting for the quarter ending 31<sup>st</sup> March, 2015 : 4<sup>th</sup> week of May 2015
- Financial reporting for the year ending 31<sup>st</sup> March, 2015 : 4<sup>th</sup> week of May 2015
- Annual General Meeting for the year ending 31<sup>st</sup> March, 2015 : 2<sup>nd</sup> week of August 2015



## Bhagiradha Chemicals & Industries Limited

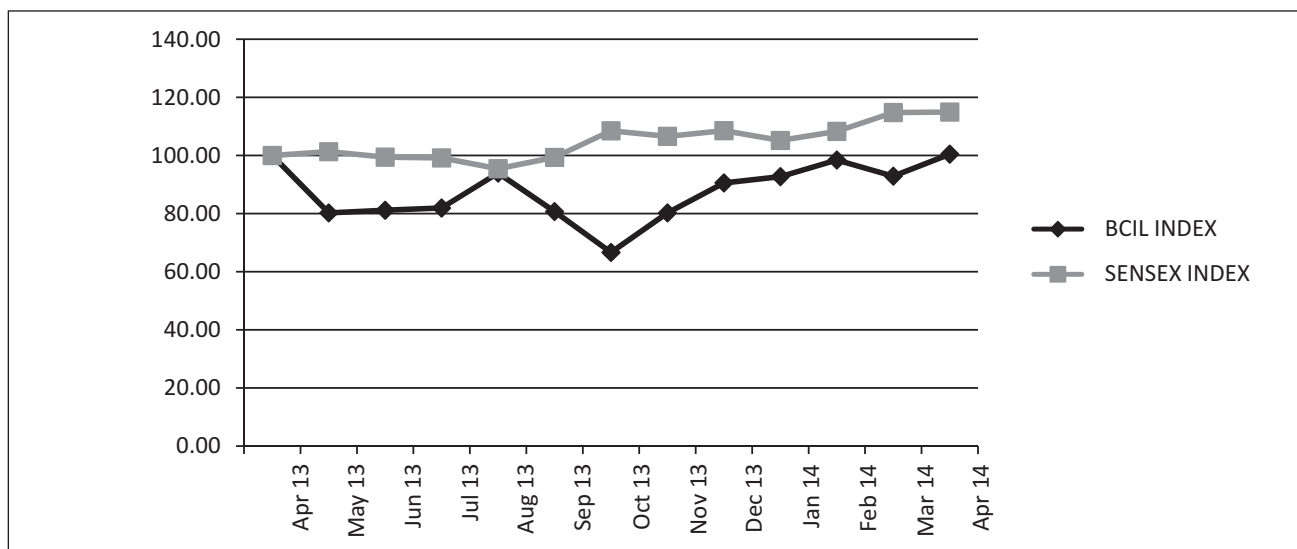
- iii) Date of book closure : 4<sup>th</sup> August 2014 to 11<sup>th</sup> August 2014  
(Both dates inclusive)
- iv) Dividend : On or after 11<sup>th</sup> August 2014. Dividend, when declared, will be payable on or after 11<sup>th</sup> August 2014 to those members whose names are registered as such in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 3<sup>rd</sup> August, 2014 and to the Beneficiary holders as per the beneficiary list as on 6<sup>th</sup> August, 2014 provided by the NSDL and CDSL.
- v) Listing on Stock Exchanges : BSE Limited. The Company has paid the listing fees for the period from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015
- vi) Stock Code : BSE - 531719
- vii) Demat ISIN Number : INE 414D01019

### X) 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:

Month	High	Low
April 2013	32.35	23.70
May 2013	39.90	25.95
June 2013	27.55	22.90
July 2013	29.65	24.95
August 2013	30.75	24.50
September 2013	30.00	25.20
October 2013	27.00	21.55
November 2013	30.30	20.40
December 2013	30.70	24.20
January 2014	39.35	28.50
February 2014	35.85	29.40
March 2014	35.35	29.50

### XI) Performance of the share price of the company in comparison to BSE Sensex for the period 1<sup>st</sup> April'2013 to 31<sup>st</sup> March' 2014 is given below:







Month	BCIL CLOSE share price at BSE	BSE SENSEX Close	Relative index for Comparison purpose	
			BCIL Share Price at BSE	BSE SENSEX
April 2013	32.35	19,504.18	100.00	100.00
May 2013	25.95	19,760.30	80.22	101.31
June 2013	26.25	19,395.81	81.14	99.44
July 2013	26.50	19,345.70	81.92	99.19
August 2013	30.40	18,619.72	93.97	95.47
September 2013	26.10	19,379.77	80.68	99.36
October 2013	21.55	21,164.52	66.62	108.51
November 2013	25.95	20,791.93	80.22	106.60
December 2013	29.30	21,170.68	90.57	108.54
January 2014	30.00	20,513.85	92.74	105.18
February 2014	31.85	21,120.12	98.45	108.29
March 2014	30.05	22,386.27	92.89	114.78

Source: [www.bseindia.com](http://www.bseindia.com)

## XII) Registrars & Transfer Agents:

### **XL Softech Systems 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](mailto:xlfield@rediffmail.com)

### xi. Share Transfer System

The Company's Shares are traded on BSE Limited compulsorily in the dematerialized form. 90.73% of the total equity shares of the company are in dematerialised form with NSDL and CDSL as on 31st March, 2014. Transfer of these shares is done through the depositories with no involvement of the company. However, all requests received for transfer of shares for off market transaction in physical form furnishing with a copy of PAN card of the transferee(s) in compliance with the SEBI circular in that behalf, are processed by the Registrar and Transfer Agents. The Share Transfers are registered and returned within period of 15 days from the date of lodgment, if documents are complete in all respect.

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 31st, 2014



## Bhagiradha Chemicals & Industries Limited

### ii. Distribution of shareholding as on March 31st, 2014\*

Sl. No.	Shareholding of nominal value	Number of shareholders	percentage of shareholders	number of shares held	percentage of shares held
1	upto 500	2005	80.3	275493	5.45
2	501 - 1000	212	8.49	172557	3.41
3	1001 - 2000	121	4.85	186272	3.69
4	2001 - 3000	44	1.76	111501	2.21
5	3001 - 4000	27	1.08	94319	1.87
6	4001 - 5000	26	1.04	122566	2.43
7	5001 - 10000	29	1.16	227701	4.51
8	Above 10000	33	1.32	3863291	76.44
	<b>Total</b>	<b>2497</b>	<b>100</b>	<b>5053700</b>	<b>100</b>
Sl. No.	Mode of Holding				
1	<b>PHYSICAL :</b>	80	3.20	468531	9.27
2	<b>DEMAT :</b>	2417	96.80	4585169	90.73
	<b>TOTAL</b>	<b>2497</b>	<b>100</b>	<b>5053700</b>	<b>100</b>

### xiii. Shareholding Pattern as on March 31st, 2014

S.I. No.	Category	Number of Shareholders	% of Shareholders	Number of Shares held	Percentage of Shares held
A	Promoters & Persons acting in concert	29	1.16	1182049	23.39
B	Public Shareholding				
	i. Foreign Institutional Investors	Nil	Nil	Nil	Nil
	ii. Bodies Corporate	84	3.36	2412699	47.74
	iii. Indian Public	2340	93.71	1374539	27.20
	iv. Non Resident Indians	39	1.56	83565	1.65
	v. Clearing Members	5	0.20	848	0.02
	<b>Total</b>	<b>2497</b>	<b>100.00</b>	<b>5053700</b>	<b>100</b>

\*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 15 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



xvii. Address for correspondence : Bhagiradha Chemicals & Industries Limited  
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](mailto:info@bhagirad.com)

xviii. Investor Grievance E-mail : [Nihita.s@bhagirad.com](mailto: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 31st, 2014.

Sd/-

Place : Hyderabad  
Date : 28.5.2014

**S. Chandra Sekhar**  
Managing Director

### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**BHAGIRADHA CHEMICALS & INDUSTRIES LTD.**

We have examined the compliance of the conditions of Corporate Governance by **Bhagiradha Chemicals & Industries Limited** (the Company) for the year ended 31st March, 2014 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 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

Sd/-

Place : Hyderabad  
Date : 28.05.2014

**Uttam Kumar Singhi**  
Partner  
MEMBERSHIP No. 027481/ICAI.





**THE MANAGING DIRECTOR AND GENERAL MANAGER CERTIFICATION**

We, S.Chandra Sekhar, Managing 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.

Place : Hyderabad  
Date : 28.05.2014

Sd/-  
**S. Chandra Sekhar**  
Managing Director

Sd/-  
**K.Gopala Krishna**  
General Manager (Finance)



## INDEPENDENT AUDITORS' REPORT

### To the Members of Bhagiradha Chemicals & Industries Limited.

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

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 Dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

### Report on Other Legal & Regulatory Requirement

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - 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.
  - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 Dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
  - on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **R Kankaria & Uttam Singhi**

Chartered Accountants

Firm Regn No.000442S

Sd/-

**Uttam kumar Singhi**

Partner

Place: Hyderabad

Date : 28.05.2014

Membership No. : 027481/ICAI



## **ANNEXURE TO THE AUDITORS' REPORT**

**(Referred to in paragraph 1 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/discharged off substantial portion of Fixed Assets and the going concern status of the company is not affected.
- 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. As explained to us 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. The Company has not incurred any cash loss during the current financial year or in the immediately preceding 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, nidhi and 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.
- 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 Regn No.000442S

Sd/-

**Uttam kumar Singhi**

Partner

Place: Hyderabad  
Date : 28.05.2014

Membership No. : 027481/ICAI





# Bhagiradha Chemicals & Industries Limited

## BALANCE SHEET AS AT 31ST MARCH, 2014

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Particulars	Note	AS AT 31.03.2014	AS AT 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	1	50,782,500	50,782,500
(b) Reserves and surplus	2	428,026,061	414,323,913
		<b>478,808,561</b>	465,106,413
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	3	127,681,037	40,109,582
(b) Deferred tax liabilities (Net)	4	30,334,014	25,552,604
		<b>158,015,051</b>	65,662,186
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	5	384,442,014	344,048,030
(b) Trade payables	6	341,110,562	296,153,778
(c) Other current liabilities	7	48,913,157	70,907,531
(d) Short-term provisions	8	5,971,720	2,565,823
		<b>780,437,453</b>	713,675,162
<b>Total</b>		<b>1,417,261,065</b>	1,244,443,761
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		475,445,538	347,396,167
(ii) Intangible assets		205,008	425,783
(iii) Capital work-in-progress		92,825,315	124,007,453
		<b>568,475,861</b>	471,829,403
(b) Long-term loans and advances	10	35,922,716	35,112,415
		<b>604,398,577</b>	506,941,818
<b>(2) Current assets</b>			
(a) Inventories	11	323,025,579	268,587,540
(b) Trade receivables	12	339,292,018	354,831,692
(c) Cash and cash equivalents	13	12,115,913	27,284,961
(d) Short-term loans and advances	14	137,337,329	86,453,587
(e) Other current assets	15	1,091,649	344,163
		<b>812,862,488</b>	737,501,943
<b>Total</b>		<b>1,417,261,065</b>	1,244,443,761
Significant Accounting Policies, Notes on Financial Statements.	1-23		

As per our attached report of even date  
For **R. Kankaria & Uttam Singhi**  
Chartered Accountants  
Firm Regn No.000442S

Sd/-

**Uttam Kumar Singhi**  
**Partner**

Membership No.027481

Place: Hyderabad

Date : 28.5.2014

For and on behalf of the Board

Sd/-

**D. Ranga Raju**  
Chairman

Sd/-

**K. Gopala Krishna**  
General Manager (Finance)

Sd/-

**S. Chandra Sekhar**  
Managing Director

Sd/-

**J. R. Nagajayanthi**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹

Particulars	Note	For the Year ended 31.03.2014	For the Year ended 31.03.2013
<b>CONTINUING OPERATIONS</b>			
Revenue from operations (gross)	16	1,862,202,311	1,599,028,753
Less: Taxes & Duties		132,100,355	137,574,747
Revenue from operations (net)		1,730,101,956	1,461,454,006
Other income	17	19,985,916	2,350,601
<b>Total Revenue</b>		<b>1,750,087,872</b>	<b>1,463,804,607</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	18	1,242,419,827	1,051,385,950
Changes in inventories of finished goods, Stock-in-progress and Stock-in-Trade	19	(28,934,596)	(75,218,704)
Employee benefits expense	20	85,464,845	65,823,829
Finance costs	21	43,149,531	35,091,411
Depreciation and amortization expense	9	48,103,229	36,819,628
Other expenses	22	338,234,821	320,831,348
<b>Total expenses</b>		<b>1,728,437,657</b>	<b>1,434,733,462</b>
<b>Profit before extraordinary items and tax</b>		<b>21,650,215</b>	<b>29,071,145</b>
<b>Profit before tax</b>		<b>21,650,215</b>	<b>29,071,145</b>
<b>Tax expense:</b>			
Current tax		1,149,795	2,634,558
Earlier Years		(2,745,919)	1,779,088
MAT Credit Entitlement		(1,149,795)	(2,634,558)
Deferred Tax Liability (Net)		4,781,410	7,574,916
		<b>2,035,491</b>	<b>9,354,004</b>
<b>Profit/(Loss) (after tax) for the year</b>		<b>19,614,724</b>	<b>19,717,141</b>
<b>Earnings per equity share</b>			
Basic & Diluted		<b>3.88</b>	<b>3.90</b>
Significant Accounting Policies, Notes on Financial Statements	1-23		

As per our attached report of even date  
For **R. Kankaria & Uttam Singhi**  
Chartered Accountants  
Firm Regn No.000442S

Sd/-

**Uttam Kumar Singhi**  
**Partner**

Membership No.027481

Place: Hyderabad

Date : 28.5.2014

For and on behalf of the Board

Sd/-

**D. Ranga Raju**  
Chairman

Sd/-

**K. Gopala Krishna**  
General Manager (Finance)

Sd/-

**S. Chandra Sekhar**  
Managing Director

Sd/-

**J. R. Nagajayanthi**  
Company Secretary



## Bhagiradha Chemicals & Industries Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

₹

Particulars	For the Year ended 31.03.2014	For the Year ended 31.03.2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	21,650,215	29,071,145
Adjustments for:		
Depreciation	48,103,229	36,819,628
Interest Expenses	43,149,531	35,091,411
Profit/(Loss) on Sale of Fixed Assets	266,660	(80,428)
Interest Income	(2,213,188)	(923,881)
<b>Operating Profit Before Working Capital Changes</b>	<b>110,956,447</b>	<b>99,977,875</b>
Adjustments for:		
Sundry Debtors	15,539,674	(169,102,147)
Inventories	(54,438,039)	(40,282,283)
Loans and Advances	(46,778,140)	(13,851,825)
Trade Payables & Provisions	9,650,899	202,073,410
	<b>(76,025,606)</b>	<b>(21,162,845)</b>
<b>Cash Generated From Operations</b>	<b>34,930,841</b>	<b>78,815,030</b>
Income Tax Refund	2,745,919	614,485
<b>Net Cash Flow From Operating Activities</b>	<b>37,676,760</b>	<b>79,429,515</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(176,700,285)	(75,389,129)
Capital Work In Progress	31,182,138	(94,739,588)
Interest Received	1,465,702	1,256,270
Sale of Fixed Assets	501,800	870,000
<b>Net Cash Used in Investing Activities</b>	<b>(143,550,645)</b>	<b>(168,002,447)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings for working capital	40,393,984	116,953,842
Term Loan	100,000,000	-
Proceeds from sales tax loan	(1,542,086)	3,008,045
Income tax	(4,915,903)	-
Interest paid	(43,149,531)	(35,091,411)
Dividend Paid	(81,625)	(91,205)
<b>Net Cash Used in Financing Activities</b>	<b>90,704,839</b>	<b>84,779,271</b>
Net increase in cash and cash equivalents	<b>(15,169,046)</b>	<b>(3,793,661)</b>
Cash and cash equivalents at the beginning of the period*	<b>27,284,959</b>	<b>31,078,620</b>
Cash and cash equivalents at the end of the period*	<b>12,115,913</b>	<b>27,284,959</b>

\*Cash and cash equivalents includes margin money and unpaid dividend account balance.

As per our attached report of even date

For **R. Kankaria & Uttam Singhi**

Chartered Accountants

Firm Regn No.000442S

Sd/-

**Uttam Kumar Singhi**

Partner

Membership No.027481

Place: Hyderabad

Date : 28.5.2014

For and on behalf of the Board

Sd/-

**D. Ranga Raju**

Chairman

Sd/-

**K. Gopala Krishna**

General Manager (Finance)

Sd/-

**S. Chandra Sekhar**

Managing Director

Sd/-

**J. R. Nagajayanthi**

Company Secretary



## Notes on Financial Statements for the period ended 31st March 2014

## NOTES : 1 SHARE CAPITAL

₹

Sl. No.	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
	<b>AUTHORIZED CAPITAL</b>		
	60,00,000 Equity Shares of ₹ 10/- each with Voting Rights	<b>60,000,000</b>	60,000,000
	<b>ISSUED, SUBSCRIBED</b>		
	51,02,800 Equity Shares of ₹ 10/- each with Voting Rights	<b>51,028,000</b>	51,028,000
	<b>PAID UP</b>		
	50,53,700 Equity Shares of ₹ 10/- each with Voting Rights	<b>50,537,000</b>	50,537,000
	Add : Forfeited Shares (amount originally paid up)	<b>245,500</b>	245,500
	<b>Total</b>	<b>50,782,500</b>	50,782,500

## 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
	<b>Equity shares with Voting rights</b>				
1	S Ratna Kumari	734,100	14.53	734,100	14.53
2	Royal Touch Multitrade Pvt Ltd	396,600	7.85	396,600	7.85
3	Nagarjuna Impex Limited	290,600	5.75	-	-
4	Siltex India Limited	-	-	290,600	5.75

## 1.2 Details of Forfeited Shares

Sl. No.	Class of Shares	AS AT 31.03.2014		AS AT 31.03.2013	
		Number of Shares	Amount originally paid up ₹	Number of Shares	Amount originally paid up ₹
	Equity Shares with Voting Rights	<b>49,100</b>	<b>245,500</b>	49,100	245,500

## NOTES : 2 RESERVES &amp; SURPLUS

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
<b>2.1 General Reserve</b>			
	Opening Balance	<b>80,273,859</b>	80,273,859
	Transfer from Profit & Loss A/c	<b>5,000,000</b>	-
	Closing Balance	<b>85,273,859</b>	80,273,859
<b>2.2 Surplus - Profit &amp; Loss Account</b>			
	Opening Balance	<b>334,050,054</b>	314,332,913
	Add: Profit for the year	<b>19,614,724</b>	19,717,141
		<b>353,664,778</b>	334,050,054
	Less: Appropriations		
	Proposed Equity Dividend (Amount per share ₹ 1/-)	<b>5,053,700</b>	-
	Corporate Dividend Tax	<b>858,876</b>	-
	Transfer to General Reserve	<b>5,000,000</b>	-
	Closing Balance	<b>342,752,202</b>	334,050,054
	<b>Total</b>	<b>428,026,061</b>	414,323,913





## Bhagiradha Chemicals & Industries Limited

### NOTES : 3 LONG TERM BORROWINGS

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<b>Secured</b>		
	Bank of India - Term Loan	90,000,000	-
	<b>Unsecured</b>		
	Sales Tax Deferment	37,681,037	40,109,582
	<b>Total</b>	<b>127,681,037</b>	<b>40,109,582</b>

- 3.1 The Term Loan is secured by Exclusive charge on fixed assets created out of term loan and second charge on the fixed assets of the Company (both present and future) by way of hypothecation of movable fixed assets and equitable mortgage of immovable fixed assets of the company and personal guarantee of Shri S.Chandra Sekhar Managing Director of the company.
- 3.2 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 ₹ 9,18,54,000/- and ₹ 5,14,50,510/- respectively for a period of 14 years to the company in respect of chlorpyrifos plant. The sanction of ₹ 9,18,54,000/- 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 ₹ 55,25,476/- utilised till 1999-2000. Sales tax amounting to ₹ 6,71,959/- for the year ended 31-03-2014 (Previous Year ₹ 52,22,090/-) deferred during the year.

### NOTES : 4 DEFERRED TAX LIABILITIES (NET)

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	Deferred Tax Liability (Net)	25,552,604	17,977,688
	Add: Current Year	4,781,410	7,574,916
		30,334,014	25,552,604
	<b>Total</b>	<b>30,334,014</b>	<b>25,552,604</b>

### NOTES : 5 SHORT TERM BORROWINGS

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<b>Loan Repayable on Demand - Secured</b>		
	- From Bank		
	State Bank of India - Cash Credit A/c	160,010,528	139,808,465
	Axis Bank Limited - Cash Credit A/c	59,179,546	8,623,300
	Axis Bank Limited - PCFC	-	41,020,969
	State Bank of India - Buyers Credit	12,590,145	14,972,969
	Axis Bank Limited - Buyers Credit	-	26,024,381
	<b>Loan Repayable on Demand - Un Secured</b>		
	State Bank of India - Bill Discounting	22,481,886	84,067,378
	Axis Bank Limited - Bill Discounting	130,179,909	27,429,885
	SBI Global Factors Ltd - Bill Discounting	-	2,100,683
	<b>Total</b>	<b>384,442,014</b>	<b>344,048,030</b>

- 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 (excluding fixed assets created out of term loan sanctioned by Bank of India), second charge on fixed assets created out of term loan sanctioned by Bank of India and are personally guaranteed by Shri S.Chandra Sekhar Managing Director, Smt.S.Ratna Kumari and Smt.S.Lalitha Sree relatives of Shri S.Chandra Sekhar Managing Director of the company.

**NOTES : 6 TRADE PAYABLES**

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	Sundry Creditors - Raw Materials	307,383,394	255,419,600
	Sundry Creditors - Consumables, Stores & Spares	3,166,368	7,032,553
	Sundry Creditors - Others	30,560,800	33,701,625
	<b>Total</b>	<b>341,110,562</b>	<b>296,153,778</b>

- 6.1 Sundry creditors as at 31st March 2014 includes an amount of ₹ 14.46 lakhs (Previous year ₹ 45.66 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 31.03.2014	AS AT 31.03.2013
	Sundry Creditors - Capital Goods	33,626,424	66,428,024
	Sundry Creditors - Statutory Payments	1,740,060	1,737,668
	<b>Current Maturities of Long Term Debt</b>		
	Bank of India - Term Loan	10,000,000	-
	Deferred Sales Tax Liability	3,100,504	2,214,045
	Unpaid dividends	446,169	527,794
	<b>Total</b>	<b>48,913,157</b>	<b>70,907,531</b>

- 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 ₹ 9,18,54,000/- and ₹ 5,14,50,510/- respectively for a period of 14 years to the company in respect of chlorpyriphos plant. The sanction of ₹ 9,18,54,000/- 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 ₹ 31,00,504/- (previous year ₹ 22,14,045/-) during the year 2014-15.
- 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 31.03.2014	AS AT 31.03.2013
	Provision for expenses	59,144	28,462
	Provision for Income tax	-	2,537,361
	Provision for proposed Dividend	5,053,700	-
	Provision for Corporate Dividend Tax	858,876	-
	<b>Total</b>	<b>5,971,720</b>	<b>2,565,823</b>



**NOTES 9 FIXED ASSETS**

S.No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
		As at 31.03.2013	ADDITIONS	DEDUCTIONS/ DELETIONS	AS AT 31.03.2013	DEDUCTIONS/ DELETIONS	PERIOD ENDED 31.03.2014	Up to 31.03.2014	As at 31.03.2014
<b>A</b>	<b>TANGIBLE ASSETS</b>								
1	Land & Site Development	21,373,211	-	-	-	-	-	-	21,373,211
2	Factory Buildings	104,536,467	17,200,784	-	22,851,226	-	3,748,675	26,599,901	95,137,350
3	Plant & Equipments	410,312,248	148,109,331	2,533,551	203,287,576	1,824,113	38,949,053	240,412,516	315,475,512
4	Electrical Installations	55,424,327	10,340,502	-	24,130,604	-	4,015,700	28,146,304	37,618,525
5	Furniture & Fixtures	2,216,173	136,100	-	1,517,315	-	113,316	1,630,631	721,642
6	Office Equipment	2,792,965	322,270	-	2,002,946	-	149,272	2,152,218	963,017
7	Computers	3,583,971	591,298	2,633,471	2,663,734	2,574,449	249,099	338,384	1,203,414
8	Vehicles	7,537,462	-	-	3,927,256	-	657,339	4,584,595	2,952,867
	<b>SUB TOTAL</b>	607,776,824	176,700,285	5,167,022	260,380,657	4,398,562	47,882,454	303,864,549	475,445,538
<b>B</b>	<b>INTANGIBLE ASSETS</b>								
1	Software	36,265	-	-	9,342	-	5,879	15,221	21,044
2	Technical Knowhow	4,070,000	-	-	3,671,140	-	214,896	3,886,036	183,964
	<b>SUB TOTAL</b>	4,106,265	-	-	3,680,482	-	220,775	3,901,257	205,008
	<b>PREVIOUS YEAR</b>	539,814,400	75,389,129	3,320,440	229,772,378	2,530,867	36,819,628	264,061,139	347,821,950
<b>C</b>	<b>Capital Work in Progress</b>								
	Civil	21,985,789	17,214,576	17,349,951	-	-	-	-	21,850,414
	Plant & Equipments	102,021,664	122,599,686	153,646,449	-	-	-	-	70,974,901
	Pre-operative Expenses	-	5,703,885	5,703,885	-	-	-	-	-
	<b>SUB TOTAL</b>	124,007,453	145,518,147	176,700,285	-	-	-	-	92,825,315
	<b>GRAND TOTAL</b>	735,890,542	322,218,432	181,867,307	264,061,139	4,398,562	48,103,229	307,765,806	568,475,861

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

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<b>Unsecured, Considered Good</b>		
	Capital Advances	2,408,383	3,511,377
	Advance for Land	3,341,250	3,341,250
	MAT Credit Entitlement	22,102,090	20,952,295
	Other Deposits	8,070,993	7,307,493
	<b>Total</b>	<b>35,922,716</b>	<b>35,112,415</b>

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 31.03.2014	AS AT 31.03.2013
	Raw Materials	107,145,743	77,956,699
	Raw Materials in ware house	2,353,051	5,581,909
	Stock-in-Process	87,059,025	64,314,679
	Finished Goods	116,487,750	110,297,500
	Packing Materials	1,412,981	1,323,470
	Coal & Fuel	3,836,081	3,164,410
	Stores & Spares	4,730,948	5,948,873
	<b>Total</b>	<b>323,025,579</b>	<b>268,587,540</b>

11.1 Mode of Valuation of Inventories - Cost or net realisable value whichever is lower

**NOTES : 12 TRADE RECEIVABLES**

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	Un Secured and Considered Good :		
	Outstanding for period exceeding six months from the date they are due for payment	-	-
	Other Receivables	339,292,018	354,831,692
	<b>Total</b>	<b>339,292,018</b>	<b>354,831,692</b>

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.





## Bhagiradha Chemicals & Industries Limited

### NOTES : 13 CASH & CASH EQUIVALENT

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<b>Cash-on-Hand</b>	<b>80,313</b>	182,722
	(Cash is certified by the management)		
	<b>Balances with banks</b>		
	in current account	<b>1,051,206</b>	471,494
	in EEFC account	<b>104,196</b>	15,814
	in unpaid dividend accounts	<b>446,165</b>	527,790
	in margin money	<b>10,434,033</b>	6,087,141
	in Term Deposit	-	20,000,000
	<b>Total</b>	<b>12,115,913</b>	<b>27,284,961</b>

### NOTES : 14 SHORT TERM LOANS & ADVANCES

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<b>Unsecured considered Good</b>		
	Balances with Government Authorities		
	Cenvat Credit Receivable	<b>33,455,147</b>	37,673,937
	VAT Credit Receivable	<b>33,042,401</b>	14,290,270
	Export Incentive Receivable	<b>4,907,095</b>	-
	Excise Duty Rebate Receivable	<b>49,930,525</b>	13,564,885
	Advance to Suppliers	<b>6,950,265</b>	11,850,453
	Other Advances	<b>4,978,276</b>	5,650,183
	Prepaid Expenses	<b>3,051,358</b>	3,026,869
	Income Tax paid	<b>1,022,262</b>	396,990
	<b>Total</b>	<b>137,337,329</b>	<b>86,453,587</b>

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 31.03.2014	AS AT 31.03.2013
	Accrued Interest	<b>1,091,649</b>	344,163
	<b>Total</b>	<b>1,091,649</b>	<b>344,163</b>



## NOTES : 16 SALES REVENUE

₹

Sl. No.	Particulars	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
	<b>SALES REVENUE</b>		
	Domestic Sales	309,444,032	748,757,928
	Export Sales	1,552,758,279	850,270,825
		1,862,202,311	1,599,028,753
	Less: Excise Duty	120,652,414	114,741,765
	Sales Tax	11,447,941	22,832,982
		132,100,355	137,574,747
	<b>Total</b>	<b>1,730,101,956</b>	<b>1,461,454,006</b>

## NOTES : 17 OTHER INCOME

₹

Sl. No.	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	Interest Income	2,213,188	923,881
	Export Incentive	13,445,347	-
	Foreign Exchange Gain	1,729,365	348,925
	Misc Income	521,041	818,293
	Profit on Sale of Fixed Assets	-	259,323
	Balances Written Off	2,076,975	179
	<b>Total</b>	<b>19,985,916</b>	<b>2,350,601</b>

## NOTES : 18 COST OF MATERIAL CONSUMED

₹

Sl. No.	Particulars	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
	<b>RAW MATERIALS CONSUMED</b>		
	Opening Stock	77,956,699	114,096,334
	Add: Purchases	1,256,101,057	992,709,833
		1,334,057,756	1,106,806,167
	Less: Closing Stock	109,498,794	77,956,699
		1,224,558,962	1,028,849,468
	<b>PACKING MATERIAL CONSUMED</b>		
	Opening Stock	1,323,470	755,774
	Add: Purchases	17,950,376	23,104,178
		19,273,846	23,859,952
	Less: Closing Stock	1,412,981	1,323,470
		17,860,865	22,536,482
	<b>Total</b>	<b>1,242,419,827</b>	<b>1,051,385,950</b>

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

₹

Sl. No.	Particulars	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
	Opening Stock		
	Stock-in- process	64,314,679	12,355,975
	Finished goods	110,297,500	87,037,500
		174,612,179	99,393,475
	Closing Stock		
	Stock-in- process	87,059,025	64,314,679
	Finished goods	116,487,750	110,297,500
		203,546,775	174,612,179
	Variance in Stocks	(28,934,596)	(75,218,704)



## Bhagiradha Chemicals & Industries Limited

### NOTES : 20 EMPLOYEES BENEFIT EXPENSES

₹

Sl. No.	Particulars	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
	Salaries,Wages & Bonus	65,924,435	46,800,383
	Directors Remuneration	3,600,000	3,800,000
	Contribution to PF,ESI & Gratuity	9,905,210	8,676,934
	Staff Welfare Expenses	6,035,200	6,546,512
	<b>Total</b>	<b>85,464,845</b>	<b>65,823,829</b>

### NOTES : 21 FINANCE COSTS

₹

Sl. No.	Particulars	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
	Interest on Working Capital	31,644,099	28,594,666
	Interest on Term Loan	6,940,527	-
	Interest to Others	723,049	867,674
	Bank Charges	3,841,856	5,629,071
	<b>Total</b>	<b>43,149,531</b>	<b>35,091,411</b>

### NOTES : 22 OTHER EXPENSES

₹

Sl. No.	Particulars	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2013
	<b>MANUFACTURING EXPENSES</b>		
	Power & Fuel	198,865,405	174,419,369
	Stores, Spares & Consumables	22,411,325	21,082,988
	Repairs & Maintenance		
	- Buildings	2,995,419	4,154,602
	- Plant and Machinery	6,825,870	8,882,055
	- Others	1,682,150	2,074,828
	Insurance	1,957,581	2,712,616
	Effluent Treatment Charges	42,987,034	44,958,646
	Other Manufacturing Expenses	10,748,889	17,348,087
		<b>288,473,673</b>	<b>275,633,191</b>
	<b>ADMINISTRATION, SELLING AND OTHER EXPENSES</b>		
	R&D Expenses	9,700,804	10,850,835
	Rent	1,422,000	1,380,400
	Rates & Taxes	480,528	585,265
	Travelling & Conveyance	1,318,508	1,234,552
	Statutory Auditors Remuneration	718,500	656,000
	Cost Auditors Remuneration	76,500	76,500
	Vehicle Maintenance	3,260,697	3,386,617
	Postage & Telegrams	147,565	184,572
	Printing & Stationery	491,725	463,723
	Other Expenses	5,032,188	4,460,148
	Telephone Charges	687,682	677,142
	Legal & professional Charges	4,798,973	3,682,916
	Selling & Other Expenses	21,625,478	17,559,487
		<b>49,761,148</b>	<b>45,198,157</b>
	<b>Total</b>	<b>338,234,821</b>	<b>320,831,348</b>



## NOTE – 23

### 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, 2014 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 Block II & Block III, 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.

In respect of Intangible assets, depreciation is calculated for Technical knowhow @ 5.28% and Computer Software @ 16.21%.

##### g) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is computed on weighted average method. Cost includes purchase cost net of CENVAT credit availed and attributable expenses.

Finished goods is valued at cost or net realizable value whichever is lower. Goods in transit are valued at cost which represents the cost incurred upto the stage at which the goods are in transit.

##### h) 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 Statement of Profit & Loss.





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

### **i) 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 Statement of Profit and Loss.

#### **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 Statement of Profit and Loss in the period in which the contribution is due.

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factor in the employment market.

#### **Investment details of the plan assets**

In the absence of detailed information regarding plan assets which are funded with life Insurance corporation of India, the composition of each major category of plan assets, the percentage or amount of each category to the fair value of plan assets is not disclosed.

#### **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 Statement of Profit and Loss.

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.

### **j) 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.

### **k) 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.

### **l) 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.

**m) 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.

**n) Earnings per Share (EPS)**

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 31.03.2014	As at 31.03.2013
a. Estimated amount of Contracts remaining to be executed on Capital account and not provided for, net of advances	50.08	356.68
b. Contingent Liabilities not provided for:		
- Letters of Credit	1,669.07	6.64
- Bank Guarantees	23.00	11.00

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. 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.

**4. 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  
Shri S. Chandra Sekhar, Managing Director  
Shri D. Sadasivudu, Executive Director (upto 31.08.2012)
- (ii) Related party:  
Nagarjuna Agrichem Limited

**b) Transactions with related parties:**

(₹)

Particulars	2013-14	2012-13
i) Sale of Raw Materials & Finished goods : Nagarjuna Agrichem Limited	97,676,936	213,233,440
ii) Purchase of Raw Materials : Nagarjuna Agrichem Limited	-	14,280,529
iii) Managerial remuneration Managing Director Executive Director	3,859,200 -	3,236,000 887,600



## Bhagiradha Chemicals & Industries Limited

### 5. Employee benefits

#### a. Defined benefit plans

The following table sets forth the status of the Gratuity Plan and Leave encashment of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss.

#### Actuarial valuation of Gratuity & Leave Encashment

₹

Particulars	Gratuity		Leave Encashment	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Projected Benefit Obligation at the beginning of the year</b>	<b>10,091,057</b>	7,140,319	<b>3,979,327</b>	3,575,794
Current Service Cost	<b>1,293,885</b>	855,022	-	-
Interest cost	<b>807,285</b>	571,226	<b>318,346</b>	286,064
Actuarial Gain/Loss	<b>1,918,621</b>	2,044,298	<b>474,657</b>	500,819
Less.Benefits Paid	<b>57,115</b>	519,808	<b>144,591</b>	383,350
<b>Past Service Cost</b>	-	-	-	-
<b>Projected Benefit Obligation at the end of the year</b>	<b>14,053,733</b>	10,091,057	<b>4,627,739</b>	3,979,327
<b>Fair Value of Plan Assets at the beginning of the year</b>	<b>8,833,712</b>	8,590,995	<b>9,142,773</b>	8,739,240
Expected return on plan assets	<b>991,780</b>	762,525	<b>793,003</b>	786,883
Actuarial Gain/loss	-	-	-	-
Employer Contributions	<b>2,708,021</b>	-	-	-
<b>Less. Benefits Paid</b>	<b>57,115</b>	519,808	<b>144,591</b>	383,350
<b>Fair Value of Plan Assets at the end of the year</b>	<b>12,476,398</b>	8,833,712	<b>9,791,185</b>	9,142,773
<b>Amounts Recognised in the Balance Sheet</b>				
Projected benefit obligation at the end of the year	<b>14,053,733</b>	10,091,057	<b>4,627,739</b>	3,979,327
Fair value of plan assets at end of the year	<b>12,476,398</b>	8,833,712	<b>9,791,185</b>	9,142,773
<b>Asset/Liability recognised in the Balance Sheet</b>	<b>-1,577,335</b>	-1,257,345	<b>5,163,446</b>	5,163,446
<b>Cost of retirement and other benefits for the year</b>				
Current Service Cost	<b>1,293,885</b>	855,022	-	-
Interest cost	<b>807,285</b>	571,226	<b>318,346</b>	286,064
Expected return on plan assets	<b>991,780</b>	762,525	<b>793,003</b>	786,883
Net actuarial (Gain/loss recognised in the year)	<b>-1,918,621</b>	-2,044,298	<b>-474,657</b>	-500,819
past service cost	-	-	-	-
<b>Net Cost recognised in the Statement of Profit and loss</b>	<b>3,028,011</b>	2,708,021	-	-
<b>Actuarial Assumptions</b>				
Discount Rate (%)	<b>8%</b>	8%	<b>8%</b>	8%

#### b. Defined contribution plans

In respect of defined contribution plans, an amount of ₹ 30.28 lakhs (₹ 27.08 lakhs) towards gratuity has been recognised as an expense in the Statement of Profit and Loss during the year.

### 6. 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	2013-14	2012-13
Profit/Loss After Tax	<b>19,614,724</b>	19,717,141
Weighted average no. of shares	<b>5,053,700</b>	5,053,700
Basic and diluted earning per share of ₹10/- each	<b>3.88</b>	3.90



7. The company has provided deferred tax liability/ (income) of ₹ (4,781,410/-) for the current year (Previous year net deferred tax liability ₹ 7,574,916/-) 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 31.03.2013	Current Year 2013-2014	As at 31.3.2014
Deferred tax assets /(liabilities) arising on account of timing difference			
Depreciation	(38,295,332)	2,175,731	(36,119,601)
R&D Equipment	(2,802,078)	67,271	(2,734,807)
Unabsorbed Depreciation	15,544,806	(7,024,412)	8,520,394
<b>Total</b>	<b>(25,552,604)</b>	<b>(4,781,410)</b>	<b>(30,334,014)</b>

8. A Particulars of remuneration to Statutory Auditors (₹)

Particulars	2013-2014	2012-2013
Audit Fees	550,000	500,000
Tax Audit	50,000	50,000
Fees for certification & other matters	93,500	81,000
Out of pocket expenses	25,000	25,000
<b>Total</b>	<b>718,500</b>	<b>656,000</b>

8. B Particulars of remuneration to Cost Auditors (₹)

Particulars	2013-2014	2012-2013
Audit Fees	75,000	75,000
Out of pocket expenses	1,500	1,500
<b>Total</b>	<b>76,500</b>	<b>76,500</b>

9. Particulars of Expenditure on Research & Development ₹

Particulars	2013-2014	2012-13
Capital	968,000	-
Recurring	9,700,804	10,850,835
<b>Total</b>	<b>10,668,804</b>	<b>10,850,835</b>
R&D Expenditure as % of Turnover	0.62	0.74

10. 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.

	31.03.2014	31.03.2013
Forward Exchange Contracts :		
No.of Contracts	Nil	1
Type	-	Sell
US \$ Equivalent	-	500,000
INR Equivalent	-	27,590,000



## Bhagiradha Chemicals & Industries Limited

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

	Year ended 31.03.2014			Year Ended 31.03.2013		
	Currency	FC Amount	Rupee Equivalent	Currency	FC Amount	Rupee Equivalent
Purchase of Goods	USD	2,902,742	174,335,772	USD	1,389,166	75,098,293
Sale of Goods	USD	5,239,865	314,701,064	USD	3,734,000	201,860,040

### 11. VALUE OF RAW MATERIALS CONSUMED

Particulars	2013-2014		2012-2013	
	Value ₹	% to total consumption	Value ₹	% to total consumption
Imported	573,578,713	46.84	405,842,352	39.45
Indigenous	650,980,248	53.16	623,007,116	60.55
<b>Total</b>	<b>1,224,558,962</b>	<b>100.00</b>	<b>1,028,849,468</b>	<b>100.00</b>

### 12. Value of imports on CIF Basis

Particulars	2013-2014	2012-2013
Raw Materials	629,011,433	297,288,155
<b>Total</b>	<b>629,011,433</b>	<b>297,288,155</b>

### 13. Expenditure in Foreign Currency

Particulars	2013-2014	2012-2013
Sales Commission	222,696	-
Interest	121,237	745,292
Professional Charges	116,064	-
Travelling Expenses	41,345	-
R&D Imports	331,795	1,082,605

### 14. Earnings in Foreign Currency

Particulars	2013-2014	2012-2013
FOB value of exports	1,463,777,318	803,564,733
<b>Total</b>	<b>1,463,777,318</b>	<b>803,564,733</b>

15. Figures of the previous year have been regrouped/rearranged wherever considered necessary to confirm to the current year presentation or classification.

As per our attached report of even date  
For **R. Kankaria & Uttam Singhi**  
Chartered Accountants  
Firm Regn No.000442S

Sd/-

**Uttam Kumar Singhi**  
**Partner**

Membership No.027481

Place: Hyderabad

Date : 28.5.2014

For and on behalf of the Board

Sd/-

**D. Ranga Raju**  
Chairman

Sd/-

**K. Gopala Krishna**  
General Manager (Finance)

Sd/-

**S. Chandra Sekhar**  
Managing Director

Sd/-

**J. R. Nagajayanthi**  
Company Secretary





**BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**

**CIN: L24219AP1993PLC015963**

**Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad -500034;**

**Ph No: 040 2354 1344; Email: info@bhagirad.com;**

**ATTENDANCE SLIP**

**To be handed over at the entrance of the Meeting Hall**

**21st ANNUAL GENERAL MEETING**

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

Folio No. / Client ID / DP ID :

No.of Shares:

Name of the attending member/ :

Proxy (in BLOCK LETTERS)

I hereby record my presence at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company being held at 11.00 AM on Monday, 11th August 2014 at Marigold by Green Park, Greenlands, Begumpet, Hyderabad - 500 016.

.....

Member's / Proxy's Signature  
(To be signed at the time of handing over the Slip)

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## BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

CIN: L24219AP1993PLC015963

Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad -500034;

Ph No: 040 2354 1344; Email: info@bhagirad.com;

### PROXY FORM

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

Name of the Member(s) : .....

Registered address: : .....

E-mail : .....

Folio no./ Client Id / DP Id : : .....

No of shares : : .....

I / We, being the member(s) of the above named company, hereby appoint:

Name: .....

E-mail : .....

Address : : .....

Signature: .....

or failing him / her

Name: .....

E-mail : .....

Address : : .....

Signature: .....

as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 21st nd Annual General Meeting of the Company, to be held on Monday, 11th August 2014 at Marigold by Green Park, Greenlands, Begumpet, Hyderabad - 500 016 and at any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	Resolution Item
Ordinary business	Adoption of Audited Statement of Accounts for FY 2013-14, etc.
	To declare dividend on equity shares
	Re-appointment of Shri KS Raju as a Director
	Appointment of M/s. R Kankaria & Uttam Singhi, as Statutory Auditors of the Company.
Special Business:	ORDINARY RESOLUTION: Appointment of Shri D. Ranga Raju as an Independent Director.
	ORDINARY RESOLUTION: Appointment of Shri Sudhakar Kudva as an Independent Director.
	ORDINARY RESOLUTION : Payment of Remuneration to M/s. Sagar & Associates as Cost Auditors

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

Affix  
₹1.00  
Revenue  
Stamp

Signature of the proxy holder(s) Signature of the member

Notes: The instrument of Proxy in order to be effective, should be deposited at the Registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

Place:

Date:

Signature of the Shareholder



**BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**

CIN: L24219AP1993PLC015963

Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad -500034;

Ph No: 040 2354 1344; Email: info@bhagirad.com;

**E-COMMUNICATION REGISTRATION FORM**

To

**XL Softech Systems Limited**

Plot No. 3, Sagar Society,

Road No. 2, Banjara Hills,

Hyderabad - 500 034

Fax (040) 23553214

Email: xlfield@rediffmail.com

Dear Sir/Madam,

**RE: Green Initiative in Corporate Governance**

I agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail.

Folio No. : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

PAN : \_\_\_\_\_

Name of 1st Registered Holder : \_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail ID : \_\_\_\_\_

Date: \_\_\_\_\_ Signature of the first holder: \_\_\_\_\_

**Important Notes:**

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio/DP ID & Client ID.
- 2) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given above is changed by you by sending another communication in writing, the company will continue to send the notices/ documents to you on the above mentioned email ID.



## BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

CIN: L24219AP1993PLC015963

Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad -500034;

Ph No: 040 2354 1344; Email: info@bhagirad.com;

### POSTAL BALLOT FORM

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Serial No. : \_\_\_\_\_

1. Name (s) of Shareholder(s) including :  
Joint-holders, if any (in Block Letters)
2. Registered Address of the Sole/ :  
First named Shareholder/Beneficial Owner
3. Registered Folio No./DPID No/ Client ID No. :
4. Class of Shares :
5. I/We hereby exercise my/our vote in respect of the following Resolution to be passed 21st nd Annual General Meeting of the Company, to be held on Monday, 11th August 2014 at Marigold by Green Park, Greenlands, Begumpet, Hyderabad - 500 016 for the business stated in the Notice of the Company dated 28th May 2015 by sending my/our assent or dissent to the said Ordinary Resolution by placing tick (✓) / (X) mark at the appropriate box below:

Resolution No.	Resolution Item	No of shares held	I/We assent to the Resolution	I/We dissent to the Resolution
<b>Ordinary business</b>				
ITEM 1	Adoption of Audited balance sheet, Statement of profit and loss, Accounts for FY 2013-14, etc.			
ITEM 2	To declare dividend on equity shares			
ITEM 3	Re-appointment of Shri KS Raju as a Director			
ITEM 4	Appointment of M/s. R Kankaria & Uttam Singhi, as Statutory Auditors of the Company.			
<b>Special Business:</b>				
ITEM 5	ORDINARY RESOLUTION: Appointment of Shri D.Ranga Raju as an Independent Director.			
ITEM 6	ORDINARY RESOLUTION: Appointment of Shri Sudhakar Kudva as an Independent Director			
ITEM 7	ORDINARY RESOLUTION : Payment of Remuneration to M/s. Sagar & Associates as Cost Auditors			

Place :

Date :

Signature of the Shareholder

Note : Last date for receipt of Postal Ballot forms by the Scrutinizer: **9th August 2014**



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## Factory at Ongole





## **Bhagiradha Chemicals & Industries Limited**

CIN : L24219AP1993PLC015963

### **Registered Office**

8-2-269/3/A, Plot No. 3, Sagar Society, Road No. 2,  
Banjara Hills, Hyderabad - 500 034  
Email: [info@bhagirad.com](mailto:info@bhagirad.com)

### **Factory**

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