



CORPORATE GOVERNANCE

I. Company's philosophy on code of governance

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

II. Board of Directors

a) Composition of the Board

As on 31.03.2013, 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 2012-2013	Whether attended previous AGM held on 08-08-12	No. of other Directorship	No. of Committee Positions in other companies (Audit & share committee)	
						Member	Chairman
1.	Sri D. Ranga Raju Chairman	Non-Executive Independent	5	Yes	3	3	None
2.	Sri S. Chandra Sekhar Managing Director	Promoter Director	5	No	2	None	None
3	Sri D. Sadasivudu Director	Promoter Non-Executive	5	Yes	None	None	None
4	Sri K.S. Raju Director	Non-Executive	3	No	6	5	3
5	Sri Sudhakar Kudva Director	Non-Executive Independent	5	Yes	3	2	None

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 2012-2013 the Board of Directors have held Five meetings on the following dates: 29th May 2012, 8th August 2012, 9th November 2012, and 5th January 2013 and 4th February 2013.

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



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

c) Brief resume of the Directors seeking re-appointment

Sri D. Ranga Raju (79 years), is a Commerce Graduate having over 45 years of experience in manufacture and marketing of agrochemicals. Sri D Ranga Raju is associated with the company as a director since March 1995. The names of the other companies in which Sri D. Ranga Raju is a director are given hereunder:

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

Sri 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.

Sri. Sudhakar Kudva (62 years) is a Chartered Accountant with over 39 years of experience 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
- Subho Tech Private Limited

He has experience in international trading and contracting, financial services, treasury management and general management

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, 2013. 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
Sri Sudhakar Kudva	Independent & Non executive	Chairman
Sri D. Ranga Raju	Independent & Non Executive	Member
Sri S.Chandra Sekhar	Managing Director & Promoter	Member

Sri 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: 29th May 2012, 8th August 2012, 9th November 2012, and 5th January 2013 and 4th February 2013. The attendance of each of the members of the Committee is given below:

Date of Meeting	Committee Members Present		
	D. Ranga Raju	Sudhakar Kudva	S.Chandra Sekhar
29.5.2012	YES	YES	YES
8.8.2012	YES	YES	YES
9.11.2012	YES	YES	YES
5.1.2013	YES	YES	YES
4.2.2013	YES	YES	YES
Total number of meetings attended	5	5	5

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 Sri D. Ranga Raju, Sri Sudhakar Kudva and Sri K.S. Raju are the members of the remuneration committee. The Chairman of the Committee is Sri D. Ranga Raju who is a non-executive independent director. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the remuneration including perquisites, allowances and commission to be paid to the company's whole-time-director's.

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

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



Bhagiradha Chemicals & Industries Limited

The details of the remuneration paid/payable to the directors for the year 2012-2013 are given below:

(₹ in lakhs)

Name of the Director	Salary	Perquisites	Sitting Fees	Total
Sri D.Sadasivudu	8.00	0.58	0.30	8.88
Sri D. Ranga Raju	--	--	1.10	1.10
Sri K.S. Raju	--	--	0.40	0.40
Sri Sudhakar Kudva	--	--	1.10	1.10
Sri S.Chandra Sekhar	30.00	2.16	0.20	32.36
TOTAL	38.00	2.74	3.10	43.84

Remuneration to Executive Directors

Name	Salary and Perquisites	Sitting Fees	Remarks
Sri S. Chandra Sekhar Managing Director	32.16 (W.e.f 1.6.2012 to 31.3.2013)	0.20 (from 1.4.2012 to 31.5.2012)	Appointed as Managing Director of the Company for a period of three years w.e.f 1.6.2012 and the remuneration for the above period is approved by the Shareholders. Sitting fees pertains to the period prior to his appointment as Managing Director of The Company.
Sri D. Sadasivudu Executive Director (Upto 31.8.2012)	8.58 (from 1.4.2012 to 31.8.2012)	0.30 (from 1.9.2012 to 31.3.2013)	Resigned from the Executive Directorship wef 31.8.2012 and is continuing as a member of the Board of Directors. Salary pertains to the period of his Executive Directorship. Post resignation he is being paid sitting fees for attending the Board and Committee Meetings.

An Application Under Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956, has been made by the Company seeking approval from the Central Government for the payment of remuneration to the Managing Director on the terms as approved by the Shareholders in their meeting held on 8th August, 2012.



The number of shares held by the directors as on 31.03.2013 is given below.

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

V. Share Transfer & Investor's Grievance Committee

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

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

During the year under review, one meeting of the committee was held on 8.3.2013. The attendance of each of the members of the Committee is given below:

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

The General Manager-Finance is the Compliance officer of the company. The company has received 6 investor complaints during the year 2012-2013. No complaints were pending as on March 31st, 2013. There were no share transfers pending as on March 31st, 2013.

VI. General Body Meeting

Location & time of last three Annual General Meetings

Date	Time	Venue	No.of Special Resolutions Passed
08.08.2012	2.30 PM	Hotel Green Park, Ameerpet, Hyderabad	One*
10.08.2011	10.30 AM	Hotel Green Park, Ameerpet, Hyderabad	none
18.09.2010	10.30 AM	Hotel Green Park, Ameerpet, Hyderabad	none

* Appointment of Sri S. Chandra Sekhar as Managing Director and fixing remuneration thereof.

There were no Extraordinary General Meetings in the last three years



Declaration relating to Postal Ballot:

During the year under review, the company passed two ordinary resolutions through Postal Ballot. Pursuant to the provisions of Section 192-A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2011, the company passed the following Ordinary Resolutions :

- 1) For Increasing in borrowing limits from Rupees 50 crores to Rupees 100 crores of the aggregate of paid up capital and free reserves of the company, whichever is higher.
- 2) For Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings.

The Company had appointed Mr. Y. Harivara Prasada, Chartered Accountant as Scrutiniser to conduct Postal Ballot process in a fair and transparent manner. The result of Postal Ballot was announced on March 1st, 2013 at the Registered Office of the Company

The result that was declared for the above mentioned ordinary resolution were as under:

RESOLUTION 1:

Sl. No.	Particulars	Ballots	No. of votes	%age of votes
1	Number of postal ballots received	96	2658851	*52.61
2	Votes in favour of the resolution	88	2446099	100
3	Votes against the resolution	NIL	NIL	NIL
4	Invalid votes	8	212752	--

* Taken as a percentage of the total paid up Share Capital.

RESOLUTION 2:

Sl. No.	Particulars	Ballots	No. of votes	%age of votes
1	Number of postal ballots received	96	2658851	*52.60
2	Votes in favour of the resolution	85	2445099	99.98
3	Votes against the resolution	1	400	0.02
4	Invalid votes	8	212752	-
5	Voting not exercised	2	600	-

* Taken as a percentage of the total paid up Share Capital.

Both the resolutions have been passed with requisite majority as Ordinary Resolution



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 2012-2013, no personnel have been denied access to the audit committee.
- v) The compliance with the non-mandatory requirements are detailed below:
 - The Board has a non-executive Chairman. Except for the Chairman and the promoter directors, the tenure of all other directors with the company has not exceeded nine years.
 - The company does not send any half-yearly declaration of financial performance to the shareholders.
 - The non-executive directors inducted on the Board are given an overview of the company's operations to familiarize them with the operations. A statement on business risks and mitigation strategy is regularly placed before the Board for its review.
 - The company does not have any peer group for evaluating the performance of the non-executive directors.
 - The company has yet to establish a whistle blower policy. The code of conduct adopted by the Board ensures confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, or other company policies. Further during the year under review no employee was restricted from reporting concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct.

Other Disclosures

(a) Related Party Transactions

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

Transactions with related parties are disclosed in Note 24(II) (4) to the financial statements in the Annual Report.

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



(b) Disclosure of Accounting Treatment

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

(c) Board Disclosures - Risk Management

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

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

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

VIII. Means of Communication

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

English - Business Standard/Financial Express/Financial Chronicle

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

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

There were no presentations made to the Institutional Investors or Analysts during the year 2012-2013

IX. General Shareholder information

i) Twentieth Annual General Meeting

Date : 8th August 2013
Day : Thursday
Time : 10.30 AM
Venue : Hotel Green Park

ii) Financial Year : April to March

iii) Date of book closure : 3rd August 2013 to
8th August 2013
(both dates inclusive)

iv) Dividend : Nil

v) Listing on Stock Exchanges : The Bombay Stock Exchange Ltd

vi) Stock Code : BSE - 531719

vii) Demat ISIN Number : INE 414D01019

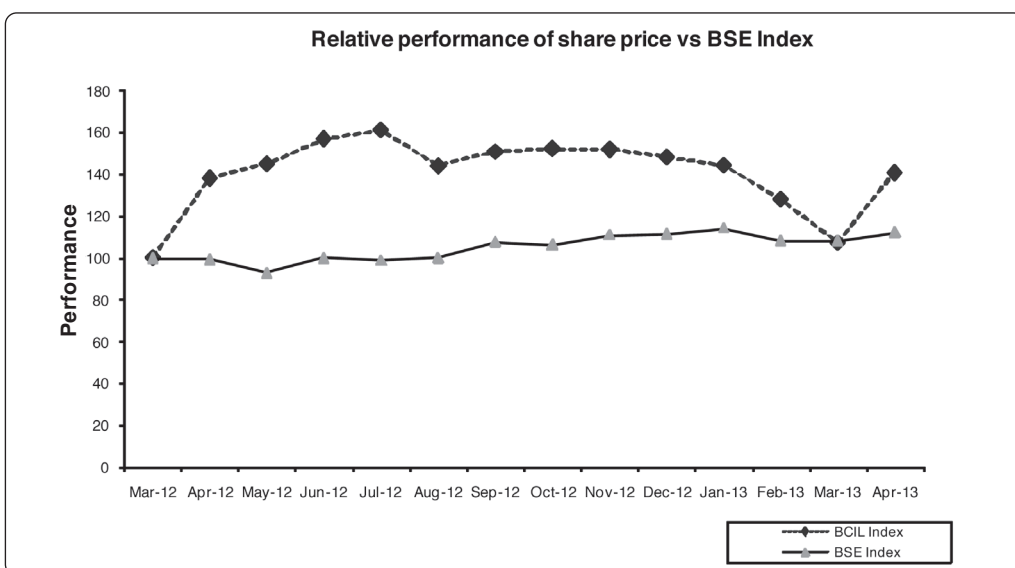


viii) Market price data

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

Month	High (₹)	Low (₹)
Mar - 12	26.95	21.40
Apr - 12	34.00	22.00
May - 12	34.10	29.65
June - 12	36.50	31.60
July - 12	41.65	35.20
Aug - 12	38.95	32.70
Sep - 12	38.95	29.25
Oct - 12	39.95	31.60
Nov - 12	37.95	32.60
Dec - 12	34.10	32.00
Jan - 13	34.60	31.40
Feb - 13	34.85	29.25
Mar - 13	29.90	23.60
Apr - 13	28.40	24.00

ix Performance of the share price of the company in comparison to BSE Sensex for the period 1st April'2012 to 31st March' 2013 is given below:





Month	BCIL close Share Price at BSE	BSE close Sensex	Relative index for comparison purpose	
			BCIL Share Price at BSE	BSE Sensex
Mar - 12	23.00	17,404.20	100.00	100.00
Apr - 12	31.75	17,318.81	138.04	99.51
May - 12	33.35	16,218.53	145.00	93.19
Jun - 12	36.05	17,429.98	156.74	100.15
Jul - 12	37.05	17,236.18	161.09	99.03
Aug - 12	33.10	17,429.56	143.91	100.15
Sep - 12	34.65	18,762.74	150.65	107.81
Oct - 12	35.00	18,505.38	152.17	106.33
Nov - 12	34.90	19,339.90	151.74	111.12
Dec - 12	34.10	19,426.71	148.26	111.62
Jan - 13	33.20	19,894.98	144.35	114.31
Feb - 13	29.45	18,861.54	128.04	108.37
Mar - 13	24.65	18,835.77	107.17	108.23
Apr - 13	32.35	19,504.18	140.65	112.07

Source: www.bseindia.com

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

xi. **Share Transfer System**

90.68% of the total equity shares of the company are in dematerialised form with NSDL and CDSL as on 31.03.2013. Transfer of these shares is done through the depositories with no involvement of the company.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s XL Softech Systems Limited, Hyderabad. The share transfer requests received are processed by them and a transfer register is sent to the company for approval once in a fortnight. There were no share transfers pending as on March 31st, 2013

xii. Distribution of shareholding as on March 31st, 2013*

S.I. No.	Shareholding	Number of Shareholders	% of Shareholders	Number of Shares held	Percentage of Shares held
1	upto 500	2093	80.16	294199	5.82
2.	501 - 1000	226	8.66	185385	3.67
3.	1001 - 2000	126	4.83	193049	3.82
4.	2001 - 3000	44	1.69	112594	2.23
5.	3001 - 4000	26	0.09	90517	1.79
6.	4001 - 5000	26	0.09	120966	2.39
7.	5001 - 10000	36	1.38	285516	5.65
8.	Above 10000	34	1.30	3771474	47.63
	Total	2611	100	5053700	100
	Mode of Holding				
1.	Physical Mode	81	3.10	470921	9.32
2.	Demat Mode	2530	96.90	4582779	90.68
	Total	2611	100	5053700	100

xiii. Shareholding Pattern as on March 31st, 2013

S.I. No.	Category	Number of Shareholders	% of Shareholders	Number of Shares held	Percentage of Shares held
A	Promoters & Persons acting in concert	36	1.38	1183499	23.42
B	Public Shareholding				
i.	Foreign Institutional Investors	Nil	Nil	Nil	Nil
ii.	Bodies Corporate	100	3.83	2425865	48.00
iii.	Indian Public	2431	93.11	1349602	26.71
iv.	Non Resident Indians	42	1.61	94159	1.86
v.	Clearing Members	2	0.07	575	0.01
	Total	2611	100	5053700	100

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