



Bhagiradha Chemicals & Industries Limited

23<sup>rd</sup>  
Annual Report  
2015-2016



# BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

(CIN: L24219AP1993PLC015963)

## 2015-16 Annual Report

### BOARD OF DIRECTORS

<b>D. Ranga Raju</b>	Chairman
<b>S. Chandra Sekhar</b>	Managing Director
<b>K.S. Raju</b>	Director
<b>Sudhakar Kudva</b>	Director
<b>D. Sadasivudu</b>	Director
<b>S. Lalitha Sree</b>	Director
<b>B. Murali</b>	CFO
<b>B.N. Suvarchala</b>	Company Secretary



<b>Day</b>	Friday
<b>Date</b>	12 <sup>th</sup> August, 2016
<b>Time</b>	11.00 AM
<b>Venue</b>	Hotel Green Park, Greenlands, Ameerpet, Hyderabad 500016.

#### Bankers

State Bank of India  
AXIS Bank Limited  
Bank of India

#### Auditors

R. Kankaria & Uttam Singhi  
Chartered Accountants  
Hyderabad - 500082

#### Cost Auditors

Sagar & Associates  
Cost Accountants  
Hyderabad - 500001

#### Secretarial Auditors

Naresh Tiwari & Associates  
Company Secretaries  
Hyderabad - 500001

#### Registered Office

8-2-269/S/3/A, Plot No. 3  
Sagar Society, Road No. 2  
Banjara Hills, Hyderabad - 500034  
Tel. (040) 42221212  
Fax (040) 23540444  
Email: info@bhagirad.com

#### Factory

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

#### Registrar & Share Transfer Agent

XL Softech Systems Limited  
Plot No. 3, Sagar Society,  
Road No. 2, Banjara Hills,  
Hyderabad - 500034  
Tel. (040) 23545913  
Fax (040) 23553214  
Email: xlfield@gmail.com

Welcome to the  
**BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**  
2015-16 Annual Report  
This is what you will find inside

Notice	2
Director's Report	7
Corporate Governance Report	23
Independent Auditor's Report	33
Balance Sheet	38
Statement of Profit & Loss	39
Cash Flow Statement	40
Notes (1 to 23)	41
Proxy Form	57
Attendance Slip	59
E-Voting	61

## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Friday the 12<sup>th</sup> day of August, 2016 at 11.00 am at Hotel Green Park, Green lands, Ameerpet, Hyderabad 500016** to transact the following business:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2016 including Audited Balance sheet as at 31<sup>st</sup> March, 2016 and Statement of Profit and Loss Account for the year ended on that date and the reports of the Auditors and Directors thereon.
2. To appoint Director in place of Sri K.S.Raju (DIN: 00008177), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. R. Kankaria & Uttam Singhi, Chartered Accountants, Hyderabad (Firm Registration No. 000442S) as approved by Members at the Twenty First Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Twenty fourth Annual General Meeting, and remuneration to be fixed by Board based on recommendation of the audit committee for the financial year ending 31<sup>st</sup> March, 2017.

### Special Business:

#### 4. Ratification of Cost Auditors Remuneration.

To approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2017 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** in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 the remuneration of the Cost Auditor, M/s. Sagar & Associates, Cost Accountants, for the financial year ending 31<sup>st</sup> March, 2017 be and is hereby determined as recommended by the Audit committee and approved by the Board of Directors."

By order of the Board

Date : 25.05.2016  
Place : Hyderabad

**B. N. Suvarchala**  
Company Secretary

### NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his behalf. The Proxy need not be a member of the Company. The proxy form, in order to be effective must be duly completed and deposited at the registered office of the Company at least 48 hours before the time for holding the meeting.
3. The Register of Members and Transfer Books of the Company will be closed from **5<sup>th</sup> August, 2016 to 12<sup>th</sup> August, 2016 (both days inclusive)**. The book closure dates have been fixed in consultation with the Stock Exchange.
4. Members are requested to utilize the Electronic Clearing System (ECS) for receiving dividend and may accordingly advise their Depository Participants in case the shares are held in electronic form and the Registrar & Share Transfer Agent in case of shares in physical form.
5. Non-resident Indian Shareholders are requested to inform the Registrars, M/s XL Softech Systems Limited immediately:
  - The change in the residential status on return to India for permanent settlement.
  - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
6. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar.



8. In terms of Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance all the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail is [xlfield@gmail.com](mailto:xlfield@gmail.com) mentioning the Company's name i.e., Bhagiradha Chemicals & Industries Ltd (BCIL), so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.
- in respect of electronic shareholding - through their respective Depository Participants.
  - in respect of physical shareholding - by sending a request to the Company's Share Transfer Agent at [xlfield@gmail.com](mailto:xlfield@gmail.com), mentioning therein the Company's name i.e., Bhagiradha Chemicals & Industries Ltd (BCIL), their folio number and e-mail address.
9. The Annual Report 2015-16 as circulated to the members of the Company is also available on the website of the Company [www.bhagirad.com](http://www.bhagirad.com)

#### 10. **Voting for transaction of Business:**

The business as set out in the Notice may be transacted and that:

- (A) The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the 44(1) of SEBI (LODR) Regulations, 2015.
- (B) The Facility for voting, either through electronic voting system or ballot or polling Paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- (C) The Members who have cast their vote by remote e-voting shall not be entitled cast their vote again.

The procedure and instructions for members for voting electronically are as under :

The voting period begins at **10.00 A.M. on 9th August, 2016 and ends at 5 P.M. on 11<sup>th</sup> August, 2016**. 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 12<sup>th</sup> July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on "Shareholders" to cast your votes.
- iii) User ID :

For Members holding shares in Demat Form:

- a) For CDSL: 16 digits beneficiary ID
- b) For NSDL: 8 Character DPID followed by 8 Digits Client ID

For Members holding shares in Physical Form:

- a) Folio Number registered with the Company
- iv) Enter the Image Verification as displayed and Click on Login.
- v) 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.

**vi) If you are a first time user follow the steps given below:**

- |                       |   |
|-----------------------|---|
| PAN                   | <ul style="list-style-type: none"><li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li><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 | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).   |

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach 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, 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.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xi) 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.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) 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.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non-Individual Shareholders and Custodians :
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xviii) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

11. The Company has appointed Mr. Naresh Tiwari, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchange (BSE).
12. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Director eligible for re-appointment vide item no. 2 is as follows:

Particulars	Sri K.S. Raju
Din	00008177
Date of Birth	29 <sup>th</sup> June, 1950
Date of Appointment	29 <sup>th</sup> July, 2005
Qualifications	Sri. K.S. Raju is a Graduate in Mechanical Engineering from the University of Mysore He started his professional career as Project Manager in NSL Limited. He was appointed Whole-time Director of Nagarjuna Fertilizers and Chemicals Limited in the year 1987, under his leadership, the Nagarjuna Group has made its presence felt in Agri Business and also ventured out into Refinery and Power sectors.
Experience in specific functional areas	Nagarjuna Agrichem Ltd
Directorship held in other listed entities	Nagarjuna Oil Corporation Ltd Nagarjuna Fertilizers & Chemicals Ltd
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Shareholders Grievance Committee Chairman in Nagarjuna Agrichem Ltd and Nagarjuna Fertilizers & Chemicals Ltd, Audit Committee member in Nagarjuna Oil Corporation Ltd and Nagarjuna Fertilizers & Chemicals Ltd.
Number of shares held in the company	Nil
Relationship with any Director(s) of the Company	Nil

By order of the Board  
For **Bhagiradha Chemicals & Industries Limited**

Place : Hyderabad  
Date : 25.05.2016

**B.N. Suvarchala**  
Company Secretary

## Explanatory statement

### ITEM NO: 4

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 25<sup>th</sup> May, 2016 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 31<sup>st</sup> March, 2017 on a remuneration of ₹ 75000/- (Rupees Seventy five Thousand Only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2017.

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.

### Notice for shareholders/investors for unpaid dividends

- i) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is 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	Amount as on 31.03.2016 (in ₹)	Due Date for transfer to IEPF
2008-09	31-07-2009	120,990	29-07-2016
2013-14	11-08-2014	81,886	09-08-2021
2014-15	08-08-2015	150,726	06-08-2022

- ii) 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.
- iii) During the year dividend amounting to ₹ 205,907/- that had not been claimed by the shareholders for the Financial years 2007-08 and 2008-09 (Interim) was transferred to the credit of Investor Education and Protection Fund as required under section 124 read with section 125 of the Companies Act, 2013



## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report of your Company together with the audited statement of accounts for the year ended 31st March 2016.

### Financial performance

₹ in lakhs

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Net Sales and other income	15,131	22,070
Operating profit (PBDIT)	536	1,166
Less : Depreciation	363	291
Less : Interest	702	571
Profit before tax	-529	304
Less : Provision for tax (incl. deferred tax)	-208	52
Profit after tax	-321	252
Balance brought forward from previous year	3525	3,427
Profit available for appropriation	3204	3,679
Less: Depreciation (net of deff tax) on life assets	—	43
Appropriations :		
Proposed dividend	—	51
Dividend tax	—	10
Transfer to general reserve	—	50
Balance carried forward to next year	3204	3,525

### Performance Review :

The Board of Directors are pleased to inform that the company has achieved a turnover of ₹ 14913 Lakhs (₹ 21783 Lakhs). The net revenue from operations for the current year was ₹ 15027 lakhs (₹ 21963 lakhs). The loss before tax for the year is ₹ 529 lakhs as against profit of ₹ 304 lakhs during the preceding previous year.

### Dividend :

Your Directors did not recommend any dividend for the financial year 2015-16.

During the year dividend amounting to ₹ 205,907/- that had not been claimed by the shareholders for the Financial years 2007-08 and 2008-09 (Interim) was transferred to the credit of Investor Education and Protection Fund as required under section 124 read with section 125 of the Companies Act, 2013.

### Board Meetings :

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. The meetings were held on 15<sup>th</sup> May 2015, 8<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015 and 08<sup>th</sup> February, 2016.

### Directors :

In accordance with the provisions of the Companies Act, 2013, Sri. K.S Raju (DIN:00008177) retires from office by rotation, and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting of the Company.

The information on the particulars of Director eligible for appointment in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

### Independent Directors Declaration :

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

### Evaluation of the Board's Performance :

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

### **Directors Responsibility Statement :**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, your Directors confirm as under:

- I. In the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures from the same.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year ended 31<sup>st</sup> March 2016 and the loss of the Company for the year under review.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the annual accounts on a 'going concern' basis.
- V. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- VI. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Management Discussion and Analysis :**

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of the Annual Report as **Annexure-II**.

### **Statutory Auditors :**

M/s. R. kankaria & Uttam Singhi, Chartered Accountants, Statutory Auditors of the Company hold office upto the conclusion of 24th Annual General Meeting, who were appointed in the 21st AGM to hold office until the conclusion of 24th AGM. Your company seeks ratification of the appointment of Statutory Auditors at the ensuing Annual General Meeting.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark.

### **Cost Auditors:**

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s. Sagar & Associates, Cost Accountants, as the Cost Auditors of the company for the year 2016-2017 at a remuneration of ₹ 75,000. The proposed remuneration of the Cost Auditors would be approved by the members in the ensuing AGM. The Cost Audit Report for the year 2014-15 has been filed under XBRL mode within the due date.

The Cost Audit Report for the F.Y 2014-15 does not contain any qualification, reservation or adverse remark.

### **Secretarial Auditors :**

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s. Naresh Tiwari & Associates, Company Secretaries as the Secretarial Auditor for the year 2016-2017. The secretarial audit report for the F.Y 2015-16 forms part of this Report as Annexure -III.

There are no qualifications or observations or remarks made by the Secretarial Auditor in their Report.

### **Audit Committee :**

The committee comprises of Shri D. Ranga Raju, Shri Sudhakar Kudva and Shri Chandra Sekhar Singavarapu. The Chairman of the Committee is Shri Sudhakar Kudva who is a non-executive Independent Director. The Company Secretary is the Secretary to the committee. During the year under review four (4) meetings of the audit committee were held.

### **Vigil mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.bhagirad.com/reports/vigil\\_mechanism/vigil\\_mechanism\\_policy\\_link](http://www.bhagirad.com/reports/vigil_mechanism/vigil_mechanism_policy_link).

### **Stakeholder Relationship Committee :**

Stakeholder Relationship Committee comprises of Shri.D. Ranga Raju as Chairman and Shri Sudhakar Kudva and Shri D. Sadasivudu as members. The details of term of reference of the Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.



### Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### Conservation of energy, Technology absorption, Foreign Exchange earnings & outgo :

The particulars as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, are given to the extent applicable in the Annexure forming part of this Report is enclosed as **Annexure - I**.

### Corporate Social Responsibility (CSR) :

During the year pursuant to the provisions of section 135 read with Schedule VII of the Companies Act, 2013 the company does not fall under the criteria of CSR Policy. Hence the company has not contributed towards CSR Activity.

### Material changes effecting financial positions of the company :

No material changes have occurred and commitments made, affecting the financial position of the company, between the end of the financial year of the company and the date of this report. There is no order passed by any regulator or court or tribunal against the company, impacting the going concern concept or future operations of the company.

### Extract of Annual Return :

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** forms part of this Annual Report as **Annexure-IV**.

### Subsidiaries, Joint ventures and Associate Companies :

During the year under review the company does not have any subsidiaries and joint ventures. The company have one associate company the details are given in MGT-9 is enclosed as **Annexure-IV**.

### Fixed Deposits :

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet.

### Particulars of Loans, Guarantees or Investments :

The Company has not granted any Loans, Investments, Guarantees and securities.

### Sexual Harassment of Women at workplace :

The company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and matters connected there with or incidental there to covering all the aspects as contained under "The Sexual Harassment of women at workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the financial year 2015-16, no complaint was received under the policy.

### Particulars of Employees :

During the year NONE of the employees have received remuneration more than the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 35(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Remuneration ratio of the Directors / Key Managerial Personnel / employees :

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the company and Directors is furnished here under:

Sl. No	Name	Designation	Remuneration paid F.Y 2015-16 ₹ lakhs	Remuneration paid F.Y 2014-15 ₹ lakhs	Increase in Remuneration from previous Year ₹ lakhs	Ratio/Times per Median of employee remuneration
1.	S.Chandra Sekhar	MD	38.59	38.59	-	32.15
2.	B. Murali	CFO (KMP)	30.90	30.90	-	25.75
3.	A.Arvind kumar	COO (KMP)	25.72	8.57*	-	21.4
4.	B.N.Suvarchala	CS (KMP)	3.96	0.13**	-	3.3

\*Mr. A. Arvind Kumar was appointed on 1<sup>st</sup> December, 2014.

\*\*Mrs. B.N. Suvarchala was appointed on 19<sup>th</sup> March, 2015.

### **Listing with Stock Exchange:**

The Board of Directors confirms that, the annual listing fees have been paid for the year 2016-2017 to BSE where the Company's Shares are listed.

### **Dematerialization of shares :**

**98.91%** of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2016 and balance **1.09%** is in physical form.

The Company's Registrars are M/s XL Softech Systems Ltd., having their registered office at Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

### **Corporate Governance and Shareholders Information :**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement as well as SEBI (LODR) Regulations, 2015.

A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 is attached to this report as **Annexure-VI**.

### **Risk and area of concern :**

The company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the company.

### **Related Party Transactions :**

All related party transactions are in the ordinary course of business and at arm's length basis, which are not material in nature. All related party transactions are with the approval of the Audit Committee and periodically placed before the Board for review. The Particulars of transactions during the year as AOC-2 is enclosed in **Annexure-V**.

### **Research & Development :**

R&D continues to do good job in process development. Over the years, it has adapted to changing and difficult times, and has been contributing with the current needs of the Company by maximum utilization of its existing resources. It has endeavored to generate revenues by way of development of new products and various developments in processes.

### **Safety, Health, Environment and Quality :**

The Company is committed to excellence in safety, health, environment and quality management. It accords the highest priority to the health and safety of its employees, customers and other stakeholders as well as to the protection of the environment. The management of your Company is focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

### **Acknowledgement**

The Directors take this opportunity to thank all the stakeholders for their support and co-operation.

For and on behalf of the Board

Date : 25.05.2016  
Place : Hyderabad.

**D. Ranga Raju**  
Chairman



## Annexures to the Director's Report

### ANNEXURE- I

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 2014.

#### 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 134 of the Companies Act, 2013 and the Rules made therein are given hereunder :

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>I. Energy Conservation Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
(i) purchased units (kwh)	<b>16,970,054</b>	15,832,660
Total amount (₹) (including demand charges)	<b>108,461,887</b>	99,983,933
Unit Rate (₹)	<b>6.39</b>	6.32
(ii) Own generation (on diesel)		
a) Diesel consumption (Ltrs)	<b>41,006</b>	43,800
No of units	<b>123,018</b>	131,400
Units/ Liter of Diesel	<b>3.00</b>	3.00
Total amount (₹)	<b>2,244,607</b>	2,734,508
unit cost (₹)	<b>18.25</b>	20.81
b) steam Turbine Generation		
No of units	<b>Nil</b>	Nil
Units/ton of Steam	<b>Nil</b>	Nil
Cost/Unit (₹)	<b>Nil</b>	Nil
<b>2. 'C' Grade coal used in Boiler</b>		
Quantity (MT)	<b>15,575</b>	15,450
Total Cost (₹)	<b>73,672,009</b>	88,173,927
Average Rate/MT	<b>4,730</b>	5,707
<b>3. Furnace oil</b>		
Quantity ( Ltrs)	<b>121,080</b>	136,010
Total cost (₹)	<b>2,688,229</b>	5,670,912
Average Rate/Ltr	<b>22.20</b>	41.69
<b>4. Others /Internal Generation</b>		
Quantity (MT)	<b>Nil</b>	Nil
Total cost (₹)	<b>Nil</b>	Nil
Average Rate/MT	<b>Nil</b>	Nil
<b>II Consumption Per Unit of Production</b>		
Electricity purchased & own Generation (units)	<b>6,976</b>	4,750
Furnace Oil (Ltr)	<b>49.41</b>	40.47
Coal Quality 'C' Grade (MT)	<b>6.36</b>	4.60

**FORM – B**  
(See Rule - 2)

Form for disclosure of particulars with respect to technology absorption

**B) Research and Development :**

The Company lays great emphasis on R&D and intellectual property development which forms the core of the business development strategy. All the process technologies implemented by the company have been developed in-house in the DSIR recognized R&D. The R&D has developed and mastered a library of reactions over a period of time which forms the crux for future developments. The swiftness in development and implementation of new technologies has brought and will continue to being good business for the company.

1) Specific areas in which R&D is carried out by the company :

- Optimization of existing process technologies.
- Development of process technologies for generic pesticides and intermediates.
- Scale up and optimization of process technologies.

2) Benefits derived as a result of the above efforts :

During Financial Year 2015- 2016 the company has.

- Continuous Optimization of the process of manufacture of Azoxystrobin to stay competitive in the market.
- Developed process technology for insecticide Diafenthion which will be commercialized in FY.2016-17.
- Completed laboratory development of process technology for products proposed for exports which are expected to be commercialized in FY 2017-18.

3) Future plan of action :

- The company has plans to launch two generic products every year for domestic / export market. The R&D team is actively working on development of process technologies.

4) Expenditure on R&D for the year 2015-2016	₹ in lakhs
Capital	-
Recurring	112.03
<b>Total</b>	<b>112.03</b>
R&D expenditure as a percentage of total turnover	0.75

**C) Technology, absorption, adaptation and innovation :**

1) Efforts, in brief, made towards technology absorption, adaptation and innovation

All process technologies are developed in-house at the R&D. The R&D is equipped with instruments and equipments to generate products from gram scale to kilo scale. After completely studying the process in pilot plant, standard operating procedures are developed for implementation in the plant.

2) Benefit derived as a result of above efforts

- Improvement in the quality of products.
- Reduction in cost of manufacture.
- Commercialization of new product.

3) In case of imported technology (imported during last 5 years), give details of technology imported, year of import, whether technology fully absorbed.

- No technology has been imported by the company

<b>Foreign exchange earnings and outgo:</b>	₹ in lakhs
Earnings	10580.62
Outgo	4716.66



## Management Discussion and Analysis

### a) Industry structure and developments :

According to reports Global Agrochemical Market was estimated at USD 214.2 billion in 2015 and was expected to grow at CGAR of 3.2% to USD 250.5 billion by 2020. The Crop Protection Chemical Market was estimated at USD 52 billion in 2015 and expected to grow at CGAR of 6.2% to USD 82 billion by 2020.

The company manufactures technical grade agrochemical active constituents used as insecticides, fungicides and weedicides which belong to the Crop Protection Chemical segment of the Agrochemical market. China continues to dominate the international markets in supply of voluminous products being advantageously placed with the domestic availability of intermediates.

### b) Opportunities and Threats :

Many agrochemical active ingredients are coming out of application patent in next five years. This presents a good opportunity for R&D driven companies which have the ability to develop and commercialize the molecules in short time. With excellent R&D team, this presents a big opportunity to BCIL to enhance its presence in domestic and global market.

China continues to lead the off-patent and generic product market with timely and well planned development. They present a big entry barrier to the Indian companies in global market with competitive pricing. However by aligning with strategic partners to market the products in the regulated markets, Indian companies can cut down the threat of Chinese competition.

### c) Financial performance vis-a-vis operational performance :

The turnover of the company decreased from ₹ 21783 Lakhs to ₹ 14913 Lakhs. Crude oil price has crashed from a high of USD 130 per barrel to USD 39 per barrel in recent times. Since most of the crop protection chemicals are crude oil derivatives, the value of these chemical has also dropped by 25 to 30%. The underperformance of export and domestic markets also resulted in lower revenues for the company.

### d) Outlook :

The domestic and export market are showing sign of recovery. Domestic market is expected to be good on account of good rains. However, the margins are expected to be on the lower side. Domestic and export market are expected to be growth drivers for the company. The company is also actively pursuing export opportunities.

### e) Risks and Concerns :

The steep decrease in the prices of crop protection chemicals and its intermediates is a matter of concern for the Industry. Indian companies which specifically import intermediates from China are exposed to a greater extent and are at a risk of losing margins. Continuous market updates and reliable sourcing partners can help mitigate this risk.

### f) Internal Control System and their adequacy :

The company has proper and adequate systems of internal controls which ensure that all the assets are safeguarded and that all transactions are authorized recorded and reported correctly. The company maintains adequate and effective control system and suitable monitoring procedures with regard to the purchase of raw materials, stores, plant & machinery, equipment and other assets as well as sale of goods. The finance and commercial functions have been structured to provide adequate support and controls for the business of the company.

### g) Industrial Relations and Human Resource Development :

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

### 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.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31-03-2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**M/s. BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the M/s. BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We, hereby report that, in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with the following laws applicable specifically to the Company:
  - 1) Industrial Employment Standing Order Act, 1946.
  - 2) Industrial Disputes Act, 1947.
  - 3) Payment of Wages Act, 1936.



- 4) Minimum Wages Act, 1948.
- 5) Payment of Bonus Act, 1965.
- 6) Factories Act, 1948.
- 7) Industrial Employment (Standing Orders) Act, 1946.
- 8) Maternity Benefit Act, 1961.
- 9) Equal Remuneration Act, 1976.
- 10) Workmen's Compensation Act, 1923.
- 11) Employees' State Insurance Act, 1948.
- 12) Employees' Provident Fund & Miscellaneous Provisions Act, 1952.
- 13) Payment of Gratuity Act, 1972.
- 14) Information Technology Act, 2000.
- 15) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 16) The Standards of Weight & Measurement Act, 1985.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.
- (iii) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded if any as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has not transacted / entered into any business, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **NARESH TIWARI AND ASSOCIATES**

Place : Hyderabad  
Date : 25.05.2016

**CS. NARESH TIWARI**  
ACS No. 26932  
C P No.: 12889

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i CIN : L24219AP1993PLC015963
- ii Registration Date : 07.07.1993
- iii Name of the Company : BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED
- iv Category/Sub-category of the Company : Company having Share Capital
- v Address of the Registered office & contact details : 8-2-269/S/3/A, Plot No. 3, Sagar Society, Road No:2, Banjara Hills Hyderabad - 500 034, Telangana.  
Ph: 040-42221212. Fax: 040-23540444
- vi Whether listed company : Yes (Listed in BSE)
- vii Name , Address & contact details of the Registrar & Transfer Agent, if any. : **XI Softech Systems Limited**  
Plot No. 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034  
Phone No: 040 - 2354 5913  
Email:xlfield@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Agro Chemicals	2421	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Nagarjuna Agrichem Ltd	L24219TG1986PLC016607	Associate	0	2(6)



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat		% of Total Shares		Demat		% of Total Shares		
	Physical	Total	Physical	Total	Physical	Total	Physical	Total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1,178,474	-	1,178,474	23.32	1,168,074	-	1,168,074	23.11	(0.21)
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	1,178,474	-	1,178,474	23.32	1,168,074	-	1,168,074	23.11	(0.21)
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Promoter Share holding (A)= (A)(1)+(A)(2)</b>	1,178,474	-	1,178,474	23.32	1,168,074	-	1,168,074	23.11	(0.21)
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	--	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Total		% of Total Shares		Total		% of Total Shares		
	Demat	Physical	Demat	Physical	Demat	Physical	Demat	Physical	
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies corporate (India)	2,036,002	405,000	2,441,502	48.31	2,404,748	8,900	2,413,648	47.76	(0.55)
Bodies corporate (overseas)	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	838,673	60,331	899,004	17.79	6,69,531	46,331	7,158,62	14.17	(3.62)
(ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	507,327	-	50,327	10.04	7,22,510	-	7,22,510	14.30	4.26
<b>c) Any other (Specify) NRI's</b>	27,393	-	27,393	0.54	33,606	-	33,606	0.66	0.12
<b>SUB TOTAL (B)(2) :</b>	3,409,395	465,831	3,875,226	76.68	3,830,395	55,231	3,885,626	76.89	0.21
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	3,409,395	465,831	3,875,226	76.68	3,830,395	55,231	3,885,626	76.89	0.21
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	4,587,869	4,65,831	5,053,700	100	4,998,469	55,231	5,053,700	100	-



ii) Shareholding of Promoters :

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Singavarapu Ratna Kumari	734,100	14.53	-	7,34,100	14.53	-	0.00
2	Eadara Jayalaxmi	200,213	3.96	-	200,213	3.96	-	0.00
3	Dodda Sadasivudu	63,600	1.26	-	63,600	1.26	-	0.00
4	Singavarapu Lalitha Sree	60,000	1.19	-	60,000	1.19	-	0.00
5	Singavarapu Chandrasekhar	23,200	0.46	-	23,200	0.46	-	0.00
6	Tatineni Venkata Narasimha Rao	13,800	0.27	-	13,800	0.27	-	0.00
7	T Kalyan Chakravarthi	10,000	0.20	-	10,000	0.20	-	0.00
8	K Baby	10,000	0.20	-	10,000	0.20	-	0.00
9	Tatineni Ammaji	8,600	0.17	-	8,600	0.17	-	0.00
10	Kasukurthi Bhavani Shankar	7,000	0.14	-	7,000	0.14	-	0.00
11	Tatineni Sridhar	6,100	0.12	-	6,100	0.12	-	0.00
12	Kudaravalli Rama Krishna	5,000	0.10	-	5,000	0.10	-	0.00
13	B Vasantha Bai	5,000	0.10	-	5,000	0.10	-	0.00
14	Kudaravalli Sri Lakshmi	4,500	0.09	-	4,500	0.09	-	0.00
15	Katragadda Chinnammai	4,000	0.08	-	4,000	0.08	-	0.00
16	Chalasanani Niranjan	3,000	0.06	-	3,000	0.06	-	0.00
17	K. Samarjyam	2,500	0.05	-	2,500	0.05	-	0.00
18	Kadiyala Venkateswara Rao	2,500	0.05	-	2,500	0.05	-	0.00
19	Kanakamedala Leela	1,610	0.03	-	1,610	0.03	-	0.00
20	Uppaluri Sai Prasanna	1,351	0.03	-	1,351	0.03	-	0.00
21	Tatineni Vallika devi	4,200	0.08	-	1,200	0.02	-	(0.06)
22	Inapuri Radha Krishna Rao	600	0.01	-	600	0.01	-	0.00
23	Mulpuri Katyayani	100	0.002	-	100	0.002	-	0.00
24	Potini Vijayalakshmi	3,100	0.06	-	100	0.002	-	(0.058)
25	Bharathi Devi	4,400	0.09	-	-	-	-	(0.09)

(iii) Change in Promoters Shareholding :

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Tatineni Vallika Devi	4,200	0.08	1,200	0.02
2.	A. Bharathi Devi	4,400	0.09	-	-
3.	Potini Vijayalakshmi	3,100	0.06	100	0.002

## Bhagiradha Chemicals & Industries Limited

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Nagarjuna Impex Private Limited	290,600	5.75	510,300	10.10
2.	Royal touch multitrade private limited	396,600	7.85	396,600	7.85
3.	V V S S Estates Private Limited	239,500	4.74	239,500	4.74
4.	Chinnar Securities Private Limited	230,100	4.55	230,100	4.55
5.	Liza Multitrade Private Limited	208,348	4.12	208,348	4.12
6.	S S V V Agro Farms Private Limited	201,500	3.99	201,500	3.99
7.	V V S S agro farms private limited	200,500	3.97	200,500	3.97
8.	Nagarjuna corporation limited	166,591	3.30	166,591	3.30
9.	Angel holdings pvt ltd	29,780	0.59	114,465	2.26
10.	Piyush Champak Lal Shah	84,300	1.67	84,300	1.67

### (v) Shareholding of Directors:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	S. Chandra Sekhar	23,200	0.46	23,200	0.46
2.	S. Lalitha Sree	60,000	1.19	60,000	1.19
3.	D. Sadasivudu	63,600	1.26	63,600	1.26

### (vi) Indebtedness of the Company including interest outstanding / accrued but not due for payment ₹

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
At the beginning of the financial year.				
i) Principal Amount	173,409,122	-	-	173,409,122
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	966,475	-	-	966,475
<b>Total (i+ii+iii)</b>	<b>174,375,597</b>	<b>-</b>	<b>-</b>	<b>174,375,597</b>
Change during the financial year				
Addition	16,443,594	-	-	16,443,594
Reduction	26,287,636	-	-	26,287,636
<b>Net Change</b>	<b>-9,844,042</b>	<b>-</b>	<b>-</b>	<b>-9,844,042</b>
At the end of the financial year				
i) Principal Amount	164,531,555	-	-	164,531,555
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>164,531,555</b>	<b>-</b>	<b>-</b>	<b>164,531,555</b>



vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director :

₹

Sl. No.	Particulars of Remuneration	Name of MD		Total Amount
		S. Chandra Sekhar		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,600,000		3,600,000
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	259,200		259,200
	(c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	-		-
2.	Stock option	-		-
3.	Sweat Equity	-		-
4.	Commission			
	- as % of profits	-		-
	- others	-		-
5.	Others	-		-
	<b>Total A</b>	<b>3,859,200</b>		<b>3,859,200</b>
	Ceiling as per the Act	₹ 4,200,000/- (Section 196 & 197 read with schedule V)		

B. Remuneration to other Directors

₹

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		D. Ranga Raju	Sudhakar kudva	
1.	Independent Directors			
	• Fee for attending board / committee meetings	100,000	90,000	190,000
	• Commission	-	-	-
	• Others	20,000	18,000	38,000
	Total (1)	120,000	108,000	228,000

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		K.S Raju	D. Sadasivudu	S. Lalithasree	
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	20,000	50,000	30,000	100,000
	• Commission	-	-	-	-
	• Others	4,000	10,000	6,000	20,000
	<b>Total (2)</b>	<b>24,000</b>	<b>60,000</b>	<b>36,000</b>	<b>120,000</b>
	<b>Total (B) = (1)+(2)</b>				<b>348,000</b>

**C. Remuneration to Key Managerial Personnel other than Managing Director**

₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		B. Murali	A. Arvind Kumar	B.N. Suvarchala	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,760,000	24,00,000	370,168	5,530,168
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	330,313	172,800	26,652	529,765
	(c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profits	-	-	-	-
	- others	-	-	-	-
5.	Others	-	-	-	-
	<b>Total A</b>	<b>3,090,313</b>	<b>2,572,800</b>	<b>396,820</b>	<b>6,059,933</b>

**viii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of the offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**ANNEXURE - V**

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at Arm's length basis :Nil.
2. Details of contracts or arrangements or transactions at Arm's length basis.

Particulars	Details
Name of the related party	Nagarjuna Agrichem Limited
Nature of Relation ship	Associate company
Nature of contracts / arrangements /transaction	Purchase and sale of goods
Duration of the contracts/ arrangements /transaction	90 days
Salient terms of the contracts or arrangements or transaction	Mutual concern by the parties
Justification for entering into such contracts or arrangements or transactions	Regular Business Transactions
Date of approval by the Board	6 <sup>th</sup> November, 2015.
Amount incurred during the year (₹)	112,108,300
Date on which the special resolution was passed in Postal Ballot as required under first proviso to section 110	12-01-2015

All transactions are in the Ordinary Course of Business, at Arm's Length basis and are of on-going nature. All transactions are placed before the Audit Committee of the Company. The terms of these transactions are governed by the respective agreements/ terms of purchase.

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015)

In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Bhagiradha Chemicals & Industries Limited is as under:

**1. Company's philosophy on code of governance :**

The Company recognizes the importance of good Corporate Governance, which is a tool for building a strong and everlasting beneficial relationship with the customers, suppliers, bankers and more importantly with the investors.

The Company believes that its key decisions must serve the underlying goals of enhancing shareholders value over a sustained period of time, and achieving the definite and measurable performance targets.

**2. Board of Directors :****i) Composition:**

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises Six Directors that includes one Women Director.

The names of the Directors and the details of other chairmanship / Directorship / committee membership of each Director as on 31<sup>st</sup> March 2016 is given below:

Name of Director	Relation-ship with other Direc-tors	No of Shares	Category	Number of Direc-torships in other companies		Number of Committee Memberships in other companies	
				Chair-man	Member	Chair-man	Member
D. Ranga Raju	Nil	Nil	Non-Executive & Independent	1	2	None	1
Sudhakar Kudva	Nil	Nil	Non-Executive & Independent	None	2	1	None
K.S. Raju	Nil	Nil	Non-Executive & Non Independent	2	5	2	2
D. Sadasivudu	Nil	63,600	Non-Executive Promoter	None	None	None	None
S. Chandra Sekhar	Nil	23,200	Executive Promoter	None	None	None	None
S. Lalitha Sree	Wife of Sri. S. Chandra Sekhar	60,000	Non Executive & Non Independent Woman Director	None	None	None	None

**Notes:**

- Other Directorships exclude Foreign Companies, Private Limited Companies and Alternate Directorships.
- Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other committee memberships.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year give a declaration that they meet with the criteria of independence as provided under Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The names of the Directors and the details of other chairmanship / Directorship / committee membership of each Director as on 31<sup>st</sup> March 2016 is given below:

**(ii) Meetings & Attendance**

The Board generally meets 4 times during the year. The Directors are also given option of attending the Board Meeting through video conferencing, none of the board meeting was held through video conferencing. During the year ended 31st March, 2016, the Board of Directors had 4 meetings. These were held on 15<sup>th</sup> May, 2015, 8<sup>th</sup>, August, 2015, 6<sup>th</sup> November, 2015, and 8<sup>th</sup> February, 2016. The last Annual General Meeting (AGM) was held on 8<sup>th</sup> August 2015. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time.

The attendance record of the Directors at the Board Meetings during the year ended 31<sup>st</sup> March, 2016 and at the last AGM as under :

Sr. No.	Name of the Director	Category	No of Board Meetings attended	Attendance at last AGM
1.	D. Ranga Raju	Chairman, Non-Executive, Independent	4 of 4	Yes
2.	Sudhakar Kudva	Non-Executive, Independent	3 of 4	Yes
3.	K.S. Raju	Non-Executive, Non-Independent	2 of 4	No
4.	D. Sadasivudu	Non-Executive, Non-Independent	4 of 4	Yes
5.	S. Chandra Sekhar	Managing Director	4 of 4	Yes
6.	S. Lalitha Sree	Non-Executive, Non-Independent	3 of 4	Yes

**(iii) Separate Meeting of Independent Directors**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 6<sup>th</sup> February, 2016 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

**(iv) Induction & Training of Board Members :**

Familiarisation programme for Independent Directors and Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman cum Managing Director and CEO & Whole Time Director on the Company's manufacturing, marketing, finance and other important aspects. The web link for the Familiarisation Programmes for Independent Directors is <http://www.bhagirad.com/reports/id/Familiarization-Programme-ID.pdf>.

**(v) Evaluation of the Board's Performance :**

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

**3. Audit Committee**

**(i) Composition, Names of Members and Chairman :**

The Board has reconstituted its Audit Committee in accordance with section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The composition of the Audit Committee is given below.

Name	Category	Position
Shri Sudhakar Kudva	Independent & Non executive	Chairman
Shri D. Ranga Raju	Independent & Non Executive	Member
Shri S.Chandra Sekhar	Managing Director & Promoter	Member



## ii) Terms of Reference

The Audit Committee reviews the audit reports submitted by the Internal Auditors, Cost auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## iii) Meeting and Attendance during the year

During the year under review, four (4) meetings of the audit committee were held on the followings dates: 15th May 2015; 8th August 2015; 6th November 2015 and 6th February 2016. The attendance of each of the members of the Committee is given below:

Date of Meeting	D. Ranga Raju	Sudhakar Kudva	S. Chandra Sekhar
15.05.2015	Yes	Yes	Yes
08.08.2015	Yes	Yes	Yes
06.11.2015	Yes	Yes	Yes
06.02.2016	Yes	Yes	Yes
<b>Total number of meetings attended</b>	<b>4</b>	<b>4</b>	<b>4</b>

The Chief Financial Officer and the Statutory Auditors also attended the meetings. The Company Secretary acts as the Secretary of the Audit Committee.

## 4. Nomination & Remuneration Committee :

### i) Composition and attendance during the year:

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 Sudhakar Kudva who is a non-executive independent director. The company secretary is the secretary to the committee.

During the year the Committee had one meeting i.e., on 15<sup>th</sup>, May 2015.

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Mr. D. Ranga Raju	Chairman	1	1
Mr. Sudhakar Kudva	Member	1	1
Mr. K.S. Raju	Member	1	-

### ii) Terms of reference :

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

### iii) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under :

#### Areas of evaluation

1. Frequency of meetings attended.
2. Timeliness of circulating Agenda for meetings and descriptiveness.
3. Quality, quantity and timeliness of flow of information to the Board.
4. Promptness with which Minutes of the meetings are drawn and circulated.
5. Opportunity to discuss matters of critical importance, before decisions are made.
6. Familiarity with the objects, operations and other functions of the company.

7. Importance given to Internal Audit Reports, Management responses and steps towards improvement.
8. Avoidance of conflict of interest.
9. Exercise of fiscal oversight and monitoring financial performance.
10. Level of monitoring of Corporate Governance Regulations and compliance.
11. Adherence to Code of Conduct and Business ethics by directors individually and collectively.
12. Monitoring of Regulatory compliances and risk assessment.
13. Review of Internal Control Systems.
14. Performance of the Chairperson of the company including leadership qualities.
15. Overall performances of the Board/ Committees.

**5. Remuneration of Directors:**

- (i) There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2015-2016.

**(ii) Criteria of making payments to Non-Executive Directors:**

Overall remuneration (sitting fees and commission) decided by the Board is reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

- a) **Remuneration / Commission:** The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- b) **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) **Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- d) **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company. Payment criteria of Non-Executive directors are the given in the Nomination and Remuneration Policy. The web link for the same is

<http://www.bhagirad.com/reports/policy/Nomination%20and%20remuneration%20policy.pdf>

**(iii) Details of Remuneration to Directors**

The details of remuneration and other benefits paid to the **Managing Director** during the year as follows:

(Amount in ₹)

Name	Salary & allowances	Other Benefits	Designation	Gross Remuneration
S. Chandra Sekhar	3,859,000	-	Managing Director	3,859,000

**For Non- Executive Directors :**

Sitting fee paid to Non-Executive Directors is as follows:

Sr. No.	Name of the Director	Relationship with other Directors	Sitting Fees
1.	D. Ranga Raju	Nil	100,000
2.	Sudhakar Kudva	Nil	90,000
3.	K.S. Raju	Nil	20,000
4.	D. Sadasivudu	Nil	50,000
5.	S. Lalitha Sree	Wife of Sri S. Chandra Sekhar	30,000
<b>TOTAL</b>			<b>290,000</b>



Other than payment of sitting fees to Non-executive Directors, there was no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its Directors/Employees.

#### 6. Stakeholders Relationship Committee:

- i) The Stakeholder Relationship Committee looks into shareholders' and investors' grievances. Shri. D. Ranga Raju, Non-Executive Independent Director is the Chairman of the Committee.
- ii) The details of the meetings held during the year as under  
During the period the company had held one committee meeting i.e., 06th February, 2016.

Director	position	Meetings Held	Meetings Attended
D. Ranga Raju (Chairman)	Non-Executive Independent Director	1	1
Sudhakar Kudva (Member)	Non-Executive Independent Director	1	1
D. Sadasivudu (Member)	Non-Executive Director	1	1

- iii) No. of investors' complaints received by the RTA/ Company during the year: 1  
No. of complaints not solved to the satisfaction of shareholders during the year: Nil  
No. of complaints pending as at 31st March, 2016: Nil

Smt B.N. Suvarchala Company Secretary of the Company acts as the Compliance Officer to the Committee.

#### 7. General Body Meetings:

- i) Location and time for the last three AGMs:

Year	Date	Venue	Time	Special Resolution
2012-13	08.08.2013	Hotel Green Park, Ameerpet, Hyderabad	10.30 A.M	Nil
2013-14	11.08.2014	Hotel Mary Gold, Ameerpet, Hyderabad	11.00 A.M	Nil
2014-15	08.08.2015	Hotel Green Park, Ameerpet, Hyderabad	11.00 A.M	1. To Re-appointment of Shri S. Chandra Sekhar Managing Director 2. To alter the AOA of the company in conformity with the companies Act, 2013

- ii). There were no Extraordinary General Meetings in the last three years.  
There was no occasion to pass Special Resolutions through postal ballot on any of the matters required to be so passed under the provisions of the Companies Act, 2013 during the financial year 2015-16. Further no such proposal is under consideration for the shareholders approval in the forthcoming Annual General Meeting.

#### 8. Means of Communication:

Quarterly results approved by the Board are usually published in Business Standard (English) and Praja shakti/ Andhra Prabha/Nava Telangana (Telugu) newspapers. In addition to this Company is communicating its results to Bombay Stock Exchange where the shares are listed. Further, the quarterly results are also placed on the company's website, www.bhagirad.com No presentations have been made to institutional investors or to the analysts.

#### 9. General Shareholder information :

- i) Twenty Third Annual General Meeting  
Date : 12th August 2016  
Day : Friday  
Time : 11.00 AM  
Venue : Hotel Green Park, Hyderabad
- ii) Financial Year : April to March
- iii) Date of book closure : **05-08-2016 to 12-08-2016 (both days inclusive)**
- iv) Listing on Stock Exchange : Bombay Stock Exchange

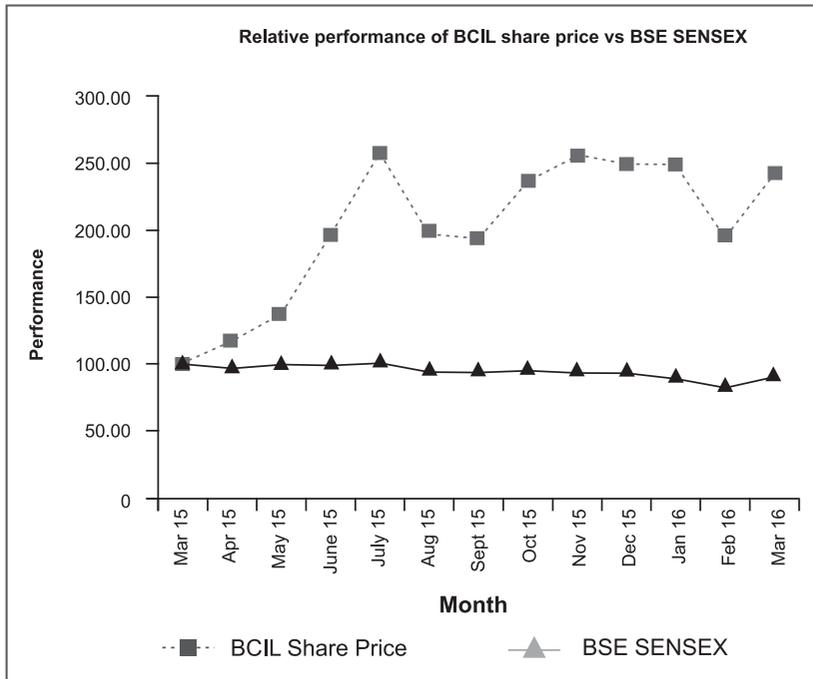
v) Stock Code

ISIN Under Depository System : INE 414D01019

Stock Exchange Mumbai : 531719

The Listing Fees as applicable have been paid within prescribed time period.

vi) Performance of the share price of the company in comparison to BSE SENSEX for the period 1st April'2015 to 31st March' 2016 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 2015	46.35	27,957.49	116.50	96.62
May 2015	54.00	27,011.31	137.65	99.54
June 2015	63.80	27,828.44	195.79	99.37
July 2015	90.75	27,780.83	256.96	100.56
August 2015	119.10	28,114.56	195.47	94.01
September 2015	90.60	26,283.09	193.85	93.55
October 2015	89.85	26,154.83	236.79	95.35
November 2015	109.75	26,656.83	256.09	93.52
December 2015	118.70	26,145.67	249.41	93.42
January 2016	115.60	26,117.54	248.54	88.96
February 2016	115.20	24,870.69	194.17	82.27
March 2016	90.00	23,002.00	242.39	90.64

Source: www.bseindia.com



**vii). Market price data :**

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 2015	63.00	46.00
May 2015	68.10	50.60
June 2015	90.75	54.35
July 2015	129.00	90.70
August 2015	123.00	85.50
September 2015	98.95	81.05
October 2015	145.00	88.00
November 2015	134.70	102.00
December 2015	130.90	110.20
January 2016	120.70	98.00
February 2016	119.50	87.00
March 2016	126.00	88.00

**viii) 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: 91-40-23545913/5 Fax : 91-40-23553214  
E-mail : xlfield@rediffmail.com'

**ix) Share Transfer System**

In order to expedite the process of share transfers, the Board has delegated the power to approve share transfers to senior executives, who attend to share transfer formalities fortnightly. The Company has appointed XL Softech Systems Limited as Registrar and Share Transfer Agents for physical transfer of securities as well as dematerialization/ re-materialization of securities

**x) Distribution of shareholding as on 31<sup>st</sup> March, 2016**

Sl. No.	Shareholding of nominal value	Number of shareholders	percentage of shareholders	number of shares held	percentage of shares held
1	upto 5000	1,666	82.06	207,343	4.10
2	5001-10000	142	7.00	115,305	2.28
3	10001-20000	87	4.29	130,688	2.59
4	20001-30000	38	1.87	98,390	1.95
5	30001-40000	17	0.84	59,901	1.19
6	40001-50000	18	0.89	85,134	1.68
7	50001-100000	22	1.08	160,449	3.17
8	Above 100000	40	1.97	4,196,490	83.04
	<b>Total</b>	<b>2,030</b>	<b>100</b>	<b>5,053,700</b>	<b>100</b>
Sl. No.	Mode of Holding				
1	PHYSICAL	68	3.35	55,231	1.09
2	DEMAT	1,962	96.65	4,998,469	98.91
	<b>TOTAL</b>	<b>2,030</b>	<b>100.00</b>	<b>5,053,700</b>	<b>100.00</b>

**xi) Categories of Shareholding as on 31<sup>st</sup> March, 2016:**

Category	No. of shares held	No. of shareholders	% to Equity
Promoters & Pac	1,168,074	25	23.11
Body Corporate	2,413,050	62	47.75
Indian Public	1,438,372	1,910	28.47
Non Resident Indian	33,606	30	0.66
Clearing Members	598	3	0.01

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

**xii) 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.

Electronic/Physical		%
Demat	4,998,469	98.91
Physical	55,231	1.09
<b>Total</b>	<b>5,053,700</b>	<b>100.00</b>

**49,100 Equity shares were forfeited at the Board Meeting held on 28-01-2006**

**xiii) Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments :**

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.

**xiv) Commodity Price Risk/ Foreign Exchange Risk and Hedging**

The Company did not engage in hedging activities.

**xv) Plant location :**

Cheruvukommupalem (Village), Ongole (Mandal), Prakasam (District), Andhra Pradesh-523 272.

**xvi) 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) 42221212, Fax (040) 23540444, Email : info@bhagirad.com

**10. Other Disclosures :**

- (i) During the financial year ended 31st March, 2016 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- (ii) Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any statutory authority on any capital market related matters during the last three years.
- (iii) The Company has announced Vigil Mechanism. All the personnel of the company have the access to the Audit Committee.
- (iv) The Company has complied with the mandatory requirements of the Listing Regulation. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- (v) The company has framed Related Party Transaction Policy and is placed on the Company's website and the web link for the same is <http://www.bhagirad.com/reports/policy/related-party-policy.pdf>
- (vi) During the financial year ended 31st March, 2016 the company did not engage in commodity hedging activities.

**11. There has been no instance of non-compliance of any requirement of Corporate Governance Report.**



---

## ANNUAL COMPLIANCE WITH THE CODE OF CONDUCT FOR THE F.Y 2015-2016.

Pursuant to the Schedule V(Part D) of SEBI(Listing Obligation and Disclosure Requirements) Regulation 2015. I hereby confirm that the company has received affirmations on compliance with code of conduct for the financial year ended 31st March, 2016 from all the Board members and senior Management Personnel.

For and on behalf of the Board

Place : Hyderabad  
Date : 25.05.2016

**S. Chandra Sekhar**  
Managing Director

---

### THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

We, S. Chandra Sekhar, Managing Director and B. Murali, Chief Financial officer 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.

**S. Chandra Sekhar**  
Managing Director

Place : Hyderabad  
Date : 25.05.2016

**B. Murali**  
Chief Financial Officer

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the Members of

**BHAGIRADHA CHEMICALS & INDUSTRIES LTD.**

We have examined the compliance of conditions of corporate governance by Bhagiradha Chemicals & Industries Limited ('the Company') for the year ended 31<sup>st</sup> March, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

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 Reg. No. 000442S

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

Place : Hyderabad  
Date : 25.05.2016



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Bhagiradha Chemicals & Industries Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Bhagiradha Chemicals & Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility For the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified Under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has a place an adequate financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31-03-2016 and its loss and its cash flows for the year ended on that date.

### Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

## Bhagiradha Chemicals & Industries Limited

---

- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) 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;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 of the Companies Act, 2013;
- f) With respect to the adequacy of Internal Financial Controls over Financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B"
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information & according to the explanations given to us:
  - i. The Company does not have any pending litigations as at 31.03.2016 which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts as at 31.03.2016 for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Uttam Kumar Singhi**  
Partner  
M. No. : 027481/ICAI

Place : Hyderabad  
Date : 25-05-2016



## ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 1 under the head “Report on other legal & regulatory requirements” 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 been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. As per the documents verified by us and explanation given to us, all the Title Deeds of immovable properties are held in the name of the company.
- ii). The inventory has been physically verified during the year by the management in our opinion, the frequency of verification is reasonable. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- iii). The company has not granted any loans secured or unsecured, to companies, firms, Limited Liability Partnership or other parties who are covered in the register maintained under section 189 of Companies Act, 2013, accordingly Clause (iii a), (iii b) and (iii c) of Paragraph 3 of the Order are not applicable.
- iv) According to the information and explanations given to us, the Company has not granted any loans, guarantees and security and made investments, as per section 185 & 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and as per the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi) The company has maintained cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii) (a) According to the information & explanations given to us, none of the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other Statutory Dues were outstanding as at last day of the financial year concerned for a period of more than six months.
- (b) According to the information & explanations given to us, there is no dues in respect of disputed amount to be deposited in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax as on 31<sup>st</sup> March, 2016.
- viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to the financial institutions, bank, government or dues to debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x) According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us, the Company has paid and provided managerial remuneration during the year as per the provisions of Section 197 read with Schedule V to the Companies Act.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us, all transactions with the related party are in compliance with section 177 & 188 of Companies Act, 2013 and the same has been disclosed in financial statements as required by the Accounting Standards.
- xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us, the company has not entered into Non Cash Transactions with directors or persons connected with him during the year.
- xvi) According to the information and explanations given to us, company is not required to be registered under section 45-IA of Reserve Bank Of India.

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

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

Place : Hyderabad  
Date : 25-05-2016

## Report on Internal Financial Controls over Financial Reporting

Annexure “B” to the Independent Auditor’s Report of even date on the Financial Statements of Bhagiradha Chemicals & industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Bhagiradha Chemicals & Industries Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods



---

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Hyderabad  
Date :25.05.2016

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

**BALANCE SHEET AS AT 31ST MARCH, 2016**

₹

Particulars	Note	As At 31.03.2016	As At 31.03.2015
<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	410,749,084	442,832,676
		<b>461,531,584</b>	493,615,176
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	3	167,959,276	199,309,973
(b) Deferred tax liabilities (Net)	4	12,704,520	33,493,852
		<b>180,663,796</b>	232,803,825
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	5	410,297,850	496,709,820
(b) Trade payables	6	609,938,798	645,168,055
(c) Other current liabilities	7	129,658,391	79,365,115
(d) Short-term provisions	8	62,162	6,142,568
		<b>1,149,957,201</b>	1,227,385,558
<b>Total</b>		<b>1,792,152,581</b>	<b>1,953,804,559</b>
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		663,366,959	521,208,431
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	161,392,853
		<b>663,366,959</b>	682,601,284
(b) Long-term loans and advances	10	43,187,412	37,282,631
		<b>706,554,371</b>	719,883,915
<b>(2) Current assets</b>			
(a) Inventories	11	721,037,661	631,080,587
(b) Trade receivables	12	278,306,136	490,921,028
(c) Cash and cash equivalents	13	13,898,371	6,908,490
(d) Short-term loans and advances	14	70,665,660	104,215,185
(e) Other current assets	15	1,690,382	795,354
		<b>1,085,598,210</b>	1,233,920,644
<b>Total</b>		<b>1,792,152,581</b>	<b>1,953,804,559</b>
Significant Accounting Policies, Notes on Financial Statements	1-23		

As per our attached report of even date

For and on behalf of the Board

For **R. Kankaria & Uttam Singhi**Chartered Accountants  
Firm Reg. No.000442S**Uttam Kumar Singhi**  
Partner  
M. No.027481**D. Ranga Raju**  
Chairman  
DIN: 00066546**S. Chandra Sekhar**  
Managing Director  
DIN: 00159543Place : Hyderabad  
Date : 25-05-2016**B. Murali**  
Chief Financial Officer**B.N. Suvarchala**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016 ₹

Particulars	Note	For The Year Ended	
		31.03.2016	31.03.2015
<b>CONTINUING OPERATIONS</b>			
Revenue from operations (gross)	16	1,641,541,677	2,415,854,180
Less: Taxes & Duties		138,847,451	219,543,901
Revenue from operations (net)		1,502,694,226	2,196,310,279
Other income	17	10,391,786	10,698,510
<b>Total Revenue</b>		<b>1,513,086,012</b>	<b>2,207,008,789</b>
<b>Expenses</b>			
Cost of Raw Materials Consumed	18	1,239,091,071	1,752,740,072
Changes in inventories of finished goods, Stock-in-progress and Stock-in-Trade	19	-210,199,896	-100,282,829
Employee benefits expense	20	98,813,285	98,247,796
Finance costs	21	70,170,042	57,091,983
Depreciation and amortization expense	9	36,338,190	29,111,719
Other expenses	22	331,746,243	339,653,477
<b>Total expenses</b>		<b>1,565,958,935</b>	<b>2,176,562,218</b>
<b>Profit before extraordinary items and tax</b>		<b>-52,872,923</b>	<b>30,446,571</b>
<b>Profit before tax</b>		<b>-52,872,923</b>	<b>30,446,571</b>
<b>Tax expense:</b>			
Current tax		-	2,909,729
MAT Credit Entitlement		-	-2,909,729
Deferred Tax Liability (Net)		-20,789,332	5,235,541
		<b>-20,789,332</b>	<b>5,235,541</b>
Profit / (Loss) (after tax) for the year		<b>-32,083,592</b>	<b>25,211,030</b>
Earnings per equity share			
Basic & Diluted		<b>-6.35</b>	<b>4.99</b>
Significant Accounting Policies, Notes on Financial Statements	1-23		

As per our attached report of even date

For and on behalf of the Board

For **R. Kankaria & Uttam Singhi**

Chartered Accountants  
Firm Reg. No.000442S

**Uttam Kumar Singhi**  
Partner  
M. No.027481

**D. Ranga Raju**  
Chairman  
DIN: 00066546

**S. Chandra Sekhar**  
Managing Director  
DIN: 00159543

Place : Hyderabad  
Date : 25-05-2016

**B. Murali**  
Chief Financial Officer

**B.N. Suvarchala**  
Company Secretary

**CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016**

₹

Particulars	For The Year Ended	
	31.03.2016	31.03.2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	-528.73	304.46
Adjustments for:		
Depreciation	363.38	291.12
Interest Expenses	-701.70	570.92
Interest Income	-16.59	-18.88
Profit/loss on Sale of Fixed Assets	-79.87	-1.00
<b>Operating Profit Before Working Capital Changes</b>	<b>439.89</b>	<b>1146.62</b>
Adjustments for:		
Sundry Debtors	2126.15	-1516.29
Inventories	-899.57	-3080.55
Loans and Advances	253.15	338.12
Trade Payables & Provisions	-95.60	3280.67
	<b>1384.13</b>	<b>-978.05</b>
<b>Cash Generated From Operations</b>	<b>1824.02</b>	<b>168.57</b>
Income Tax/Dividend Tax	-20.41	-30.08
Income Tax refund	-	0.99
<b>Net Cash Flow From Operating Activities</b>	<b>1803.61</b>	<b>139.48</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-308.76	-810.67
Capital Work in Progress	-	-685.68
Interest Received	7.64	21.85
Sale of Fixed Assets	251.00	1.00
<b>Net Cash Used in Investing Activities</b>	<b>-50.12</b>	<b>-1473.50</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings for working capital /Bill discounting	-864.12	1122.68
Proceeds from sales tax loan	31.85	37.24
Term Loan received	164.44	834.09
Interest paid	-701.70	-561.26
Term Loan repaid	-262.88	-100.00
Dividend paid/ transferred to IEPF	-51.17	-50.80
<b>Net Cash Used in Financing Activities</b>	<b>-1683.60</b>	<b>1281.93</b>
Net increase in cash and cash equivalents	<b>69.90</b>	<b>-52.07</b>
Cash and cash equivalents at the beginning of the period *	<b>69.08</b>	<b>121.16</b>
Cash and cash equivalents at the end of the period *	<b>138.98</b>	<b>69.08</b>

\* Cash and cash equivalents includes margin money and unpaid dividend accountant balances.

As per our attached report of even date

For and on behalf of the Board

For **R. Kankaria & Uttam Singhi**

Chartered Accountants

Firm Reg. No.000442S

**Uttam Kumar Singhi**

Partner

M. No.027481

**D. Ranga Raju**

Chairman

DIN: 00066546

**S. Chandra Sekhar**

Managing Director

DIN: 00159543

Place : Hyderabad

Date : 25-05-2016

**B. Murali**

Chief Financial Officer

**B.N. Suvarchala**

Company Secretary



## Notes on Financial Statements for the Year ended 31st March 2016

### NOTES : 1 SHARE CAPITAL

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
	<b>AUTHORIZED CAPITAL</b>		
	60,00,000 Equity Shares of ₹ 10/- each with Voting Rights	60,000,000	60,000,000
	<b>ISSUED, SUBSCRIBED</b>		
	51,02,800 Equity Shares of ₹ 10/- each with Voting Rights	51,028,000	51,028,000
	<b>PAID UP</b>		
	50,53,700 Equity Shares of ₹ 10/- each with Voting Rights	50,537,000	50,537,000
	Add : Forfeited Shares (amount originally paid up)	245,500	245,500
	<b>Total</b>	<b>50,782,500</b>	<b>50,782,500</b>

#### 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	Nagarjuna Impex Limited	510,300	10.10	290,600	5.75
3	Royal Touch Multitrade Pvt Ltd	396,600	7.85	396,600	7.85

#### 1.2 Details of Forfeited Shares

Class of Shares	As At 31.03.2016		As At 31.03.2015	
	Number of Shares	Amount originally paid up ₹	Number of Shares	Amount originally paid up ₹
Equity Shares with Voting Rights	49,100	245,500	49,100	245,500

### NOTES : 2 RESERVES & SURPLUS

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>2.1 General Reserve</b>			
	Opening Balance	90,273,859	85,273,859
	Transfer from Profit & Loss A/c	-	5,000,000
	Closing Balance	90,273,859	90,273,859
<b>2.2 Surplus - Profit &amp; Loss Account</b>			
	Opening Balance	352,558,817	342,752,202
	Add: Profit/(Loss) for the year	-32,083,592	25,211,030
	Add : Deferred Tax Asset (on Depreciation)	-	2,075,703
		320,475,225	370,038,935
	Less : Appropriations		
	Proposed Equity Dividend (Amount per share ₹ 1/-)	-	5,053,700
	Depreciation	-	6,397,604
	Corporate Dividend Tax	-	1,028,814
	Transfer to General Reserve	-	5,000,000
	Closing Balance	320,475,225	352,558,817
	<b>Total</b>	<b>410,749,084</b>	<b>442,832,676</b>

**NOTES : 3 LONG TERM BORROWINGS**

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>A.</b>	<b>Term Loan</b>		
	Secured		
	Bank of India - Term Loan	<b>128,565,080</b>	158,409,155
<b>B.</b>	<b>Deferred Payment Liabilities</b>		
	Unsecured		
	Sales Tax Deferment	<b>39,394,196</b>	40,900,818
	<b>Total</b>	<b>167,959,276</b>	199,309,973

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 Mr.S.Chandra Sekhar, Managing Director of the company, Smt.S.Lalitha Sree, Director and Smt.S.Ratna Kumari.

**3.2 Terms of repayment of Term Loans :**

Bank	Rate of Interest %	Balance as on 31.03.2016	Rate of Interest %	Balance as on 31.03.2015
Bank of India	Base Rate + 3.80%	<b>69,537,506</b>	Base Rate + 4.00%	90,000,000
Bank of India	Base Rate + 3.80%	<b>94,027,574</b>	Base Rate + 2.80%	83,409,155

**3.3 Deferred payment Liabilities :**

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 and sanction of ₹ 5,14,50,510/- under letter No.30/1/2002/0300/0300/FD dated 10-04-2002 has expired its utilisation on 14th February, 2016. The company has commenced the repayment and has paid ₹ 86,25,980/- utilised till 2000-01. Sales tax amounting to ₹ 31,85,266/- for the year ended 31-03-2016 (Previous Year ₹ 68,24,451/-) deferred during the year.

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

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
	Deferred Tax Liability (Net)	<b>33,493,852</b>	30,334,014
	Add: Current Year	<b>-20,789,332</b>	3,159,838
		<b>12,704,520</b>	33,493,852
	<b>Total</b>	<b>12,704,520</b>	33,493,852



## NOTES : 5 SHORT TERM BORROWINGS

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
	<b>Loan Repayable on Demand - Secured</b>		
	- From Bank		
	State Bank of India - Cash Credit A/c	127,703,925	160,903,050
	Axis Bank Limited - Cash Credit A/c	145,066,908	103,620,264
	Axis Bank Limited - Buyers Credit	41,626,219	-
	<b>Loan Repayable on Demand - Un Secured</b>		
	State Bank of India - Bill Discounting	78,501,311	145,069,232
	Axis Bank Limited - Bill Discounting	12,310,749	-
	Deutsche Bank - Bill Discounting	-	87,117,274
	Axis Bank Limited - PGSI PURCHASE CARD	5,088,738	-
	<b>Total</b>	<b>410,297,850</b>	<b>496,709,820</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 Mr.S.Chandra Sekhar, Managing Director, Smt.S.Lalitha, Director and Smt.S.Ratna Kumari.

## NOTES : 6 TRADE PAYABLES

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
	Trade Payables - Raw Materials	525,601,567	591,361,717
	Trade Payables - Consumables, Stores & Spares	8,874,032	6,213,048
	Trade Payables - Others	75,463,199	47,593,290
	<b>Total</b>	<b>609,938,798</b>	<b>645,168,055</b>

- 6.1 Sundry creditors as at 31st March 2016 includes an amount of ₹ 52.12 lakhs (Previous year ₹ 47.83 lakhs) outstanding (but not over due) 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 31.03.2016	As At 31.03.2015
	<b>Current Maturities of Long Term Debts</b>		
	Bank of India - Term Loan	35,000,000	15,000,000
	Interest accrued & Due on Term Loan	-	966,442
	Deferred Sales Tax Liability	8,296,558	3,604,670
	Unpaid dividends	353,702	418,888
	Other Liabilities - Statutory Payments	2,299,483	2,383,190
	Other Liabilities - Capital Goods	34,021,148	32,491,925
	Advance from Customers	49,687,500	-
	Advance against sale of Land	-	24,500,000
	<b>Total</b>	<b>129,658,391</b>	<b>79,365,115</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 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 and sanction of ₹ 5,14,50,510/- under letter No.30/1/2002/0300/0300/FD dated 10-04-2002 has expired its utilisation on 14th February, 2016. The company has commenced the repayment and has to pay ₹ 82,96,558/- previous year ₹ 3,604,670/- during the year 2016-17.
- 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 31.03.2016	As At 31.03.2015
	<b>Provision - Others</b>		
	Provision for proposed Dividend	-	5,053,700
	Provision for Corporate Dividend Tax	-	1,028,814
	Provision for expenses	<b>62,162</b>	60,054
	<b>Total</b>	<b>62,162</b>	<b>6,142,568</b>



**NOTES 9 FIXED ASSETS :**  
**FIXED ASSETS**

₹

Sl. No	Description	Gross Block			Depreciation/Amortisation			Net Block		
		As At 01.04.2015	Additions	Deductions/ Deletions	As At 31.03.2016	As At 01.04.2015	Period Ended 31.03.2016	Up To 31.03.2016	As At 31.03.2016	As At 31.03.2015
<b>A</b>	<b>TANGIBLE ASSETS</b>									
1	Land & Site Development	21,373,211	-	13,771,894	7,601,317	-	-	-	7,601,317	21,373,211
2	Factory Buildings	140,632,960	14,944,415	-	155,577,375	30,153,597	4,426,775	34,580,372	120,997,003	110,479,363
3	Plant & Equipments	613,195,150	153,471,700	-	766,666,850	258,555,003	23,389,217	281,944,220	484,722,629	354,640,147
4	Electrical Installations	69,938,202	22,757,036	-	92,695,238	39,015,853	7,138,864	46,154,717	46,540,521	30,922,349
5	Furniture & Fixtures	2,412,853	12,600	-	2,425,453	2,203,736	36,161	2,239,897	185,556	209,117
6	Office Equipment	3,140,935	575,700	-	3,716,635	2,557,991	339,252	2,897,243	819,392	582,944
7	Computers	2,146,522	507,160	-	2,653,682	1,288,097	524,514	1,812,611	841,071	858,425
8	Vehicles	6,758,552	-	442,303	6,316,249	4,615,676	483,406	4,656,779	1,659,470	2,142,876
	<b>SUB TOTAL</b>	859,598,385	192,268,611	14,214,197	1,037,652,799	338,389,953	36,338,190	374,285,840	663,366,959	521,208,431
<b>B</b>	<b>INTANGIBLE ASSETS</b>									
1	Software	36,265	-	-	36,265	36,265	-	36,265	-	-
2	Technical Knowhow	4,070,000	-	-	4,070,000	4,070,000	-	4,070,000	-	-
	<b>SUB TOTAL</b>	4,106,265	-	-	4,106,265	4,106,265	-	4,106,265	-	-
	<b>PREVIOUS YEAR</b>	783,416,352	81,067,208	778,910	863,704,650	307,765,806	35,509,323	342,496,219	521,208,431	521,208,431
<b>C</b>	<b>Capital Work in Progress</b>									
	- Civil	12,971,116	1,973,299	14,944,415	-	-	-	-	-	12,971,116
	- Plant & Equipments	144,970,425	25,401,438	170,371,863	-	-	-	-	-	144,970,425
	- Pre Operative Exps	3,451,312	2,405,561	5,856,873	-	-	-	-	-	3,451,312
	<b>SUB TOTAL</b>	161,392,853	29,780,298	191,173,151	-	-	-	-	-	161,392,853
	<b>GRAND TOTAL</b>	1,025,097,503	222,048,909	205,387,348	1,041,759,064	342,496,218	442,303	378,392,105	663,366,959	682,601,284

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

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
	Unsecured, Considered Good		
	Capital Advances	-	278,869
	Advance for Land	-	3,341,250
	MAT Credit Entitlement	25,011,819	25,011,819
	Security Deposits	18,175,593	8,650,693
	<b>Total</b>	<b>43,187,412</b>	<b>37,282,631</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 31.03.2016	As At 31.03.2015
	Raw Materials	175,945,602	274,857,606
	Raw Materials in ware house	5,594,500	39,672,269
	Stock-in-Process	96,683,200	88,711,691
	Finished Goods	417,346,300	215,117,913
	Packing Materials	1,712,067	826,454
	Coal & Fuel	16,685,354	5,516,492
	Stores & Spares	7,070,638	6,378,162
	<b>Total</b>	<b>721,037,661</b>	<b>631,080,587</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 31.03.2016	As At 31.03.2015
	Un Secured and Considered Good :		
	Due for a period more than six months	6,504,237	26,645,509
	Other Receivables	271,801,899	464,275,519
	<b>Total</b>	<b>278,306,136</b>	<b>490,921,028</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.

**NOTES : 13 CASH & CASH EQUIVALENT**

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
	<b>Cash-on-Hand</b>	<b>2,132,493</b>	<b>241,142</b>
	(Cash is certified by the management)		
	Balances with banks		
	in current account	4,92,663	20,33,560
	in EEFC account	14,513	164,904
	Margin money - Bank deposits	10,905,000	4,050,000
	Earmarked accounts - unclaimed dividend	353,702	418,884
	<b>Total</b>	<b>13,898,371</b>	<b>6,908,490</b>



## NOTES : 14 SHORT TERM LOANS & ADVANCES

₹

Sl. No.	Particulars	As At 31.03.2016	As At 31.03.2015
<b>Unsecured considered Good</b>			
<b>Balances with Government Authorities</b>			
	Cenvat Credit Receivable	20,375,860	30,720,757
	VAT Credit Receivable	-	3,806,246
	Export Incentive Receivable	8,142,371	11,266,269
	Excise Duty Rebate Receivable	26,967,204	38,833,469
	Advance to Suppliers	9,772,124	13,635,417
	Prepaid Expenses	1,563,887	726,603
	Income Tax paid	1,173,951	162,175
	Other Advances	2,670,263	5,064,249
	<b>Total</b>	<b>70,665,660</b>	<b>104,215,185</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 31.03.2016	As At 31.03.2015
	Accrued Interest	1,690,382	795,354
	<b>Total</b>	<b>1,690,382</b>	<b>795,354</b>

## NOTES : 16 SALES REVENUE

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
<b>SALE OF PRODUCTS</b>			
	Domestic Sales	695,324,706	1,025,421,926
	Export Sales	934,795,160	1,372,445,258
		<b>1,630,119,866</b>	<b>2,397,867,184</b>
<b>OTHER OPERATING REVENUES</b>			
	- Export Incentives	11,421,811	17,986,996
		<b>1,641,541,677</b>	<b>2,415,854,180</b>
	Less : Excise Duty	126,534,537	202,910,016
	Sales Tax	12,312,914	16,633,885
		<b>138,847,451</b>	<b>219,543,901</b>
	<b>Total</b>	<b>1,502,694,226</b>	<b>2,196,310,279</b>

## NOTES : 17 OTHER INCOME

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
	Interest Income	1,659,008	1,888,387
	Foreign Exchange Gain	-	8,294,163
	Misc Income	745,822	415,960
	Profit on Sale of Fixed Assets	7,986,956	100,000
	<b>Total</b>	<b>10,391,786</b>	<b>10,698,510</b>

**NOTES : 18 COST OF MATERIAL CONSUMED**

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
	<b>RAW MATERIALS CONSUMED</b>		
	Opening Stock	274,857,606	107,145,744
	Add: Purchases	1,123,338,620	1,936,426,703
		1,398,196,226	2,043,572,447
	Less: Closing Stock	181,540,102	314,529,875
		1,216,656,124	1,729,042,572
	<b>PACKING MATERIAL CONSUMED</b>		
	Opening Stock	826,454	1,412,981
	Add: Purchases	23,320,560	23,110,973
		24,147,014	24,523,954
	Less: Closing Stock	1,712,067	826,454
		22,434,947	23,697,500
	<b>Total</b>	<b>1,239,091,071</b>	<b>1,752,740,072</b>

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

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
	Opening Stock		
	Stock-in- process	88,711,691	87,059,025
	Finished goods	215,117,913	116,487,750
		303,829,604	203,546,775
	Closing Stock		
	Stock-in- process	96,683,200	88,711,691
	Finished goods	417,346,300	215,117,913
		514,029,500	303,829,604
	Variance in Stocks	-210,199,896	-100,282,829

**NOTES : 20 EMPLOYEES BENEFIT EXPENSES**

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
	Salaries, Wages & Bonus	79,458,067	78,245,369
	Directors Remuneration	3,600,000	3,600,000
	Contribution to PF,ESI & Gratuity	8,962,300	9,523,290
	Staff Welfare Expenses	6,792,918	6,879,137
	<b>Total</b>	<b>98,813,285</b>	<b>98,247,796</b>



## NOTES : 21 FINANCE COSTS

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
	Interest on Working Capital	39,124,939	38,742,196
	Interest on Term Loan	21,367,960	13,668,936
	Foreign Exchange Fluctuation	4,109,029	-
	Interest to Others	478,551	390,229
	Bank Charges	5,089,563	4,290,622
	<b>Total</b>	<b>70,170,042</b>	<b>57,091,983</b>

## NOTES : 22 OTHER EXPENSES

₹

Sl. No.	Particulars	For The Year Ended 31.03.2016	For The Year Ended 31.03.2015
	<b>MANUFACTURING EXPENSES</b>		
	Power & Fuel	187,066,732	196,563,280
	Stores , Spares & Consumables	25,209,840	21,958,490
	Repairs & Maintenance		
	- Buildings	2,299,624	2,498,041
	- Plant and Machinery	10,914,970	7,146,358
	- Others	1,185,292	2,074,523
	Insurance	2,327,794	2,010,702
	Effluent Treatment Charges	34,096,675	36,064,337
	Other Manufacturing Expenses	6,757,020	7,958,360
	<b>Total</b>	<b>269,857,947</b>	<b>276,274,091</b>
	<b>ADMINISTRATION, SELLING AND OTHER EXPENSES</b>		
	R & D Expenses	11,202,685	15,720,149
	Rent	1,685,040	1,432,700
	Rates & Taxes	215,814	1,534,887
	Travelling & Conveyance	1,771,911	1,207,980
	Statutory Auditors Remuneration	960,000	885,000
	Cost Auditors Remuneration	75,000	75,000
	Vehicle Maintenance	2,480,372	3,814,553
	Postage & Telegrams	267,092	335,632
	Printing & Stationery	594,563	630,212
	Other Expenses	4,113,262	4,695,006
	Telephone Charges	879,333	809,642
	Legal & professional Charges	7,285,190	4,671,903
	Selling & Other Expenses	30,358,034	27,566,722
	<b>Total</b>	<b>61,888,296</b>	<b>63,379,386</b>
	<b>Total</b>	<b>331,746,243</b>	<b>339,653,477</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, 2016 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, 2013.

##### 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 on the basis of useful life's as prescribed in Schedule II to the Companies Act, 2013 on pro rata basis.

In respect of Intangible assets depreciation is calculated for Technical knowhow @ 5.28% and Computer Software @ 33.33%.

##### 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 are 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 Profit & Loss Account.

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 LIC using the projected unit credit method. Actuarial gains and losses and past service costs are recognized immediately in the Profit and Loss Account.

**iii) Post employment benefits (defined contribution plans)**

Contributions to the provident fund which is a defined contribution scheme, are recognized as an expense in the profit and loss account 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 LIC using the projected unit method at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognized immediately in the Profit and Loss account.

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

**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 & Contingencies**

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.

**o) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit or (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**II NOTES ON ACCOUNTS**

**1. Contingent Liabilities**

₹ in lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
a. Estimated amount of Contracts remaining to be executed on Capital account and not provided for, net of advances	-	2.44
b. Contingent Liabilities not provided for:		
- Letters of Credit	288.55	337.91
- Bank Guarantees	12.00	12.00

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  
Sri S. Chandra Sekhar, Managing Director
- (ii) Related Party:  
Nagarjuna Agrichem Limited

b) Transactions with related parties:

₹

Particulars	2015-16	2014-15
i) Sale of Finished Goods Nagarjuna Agrichem Limited	112,108,300	112,453,735
ii) Purchase of Raw Materials : Nagarjuna Agrichem Limited	-	16,334,408
iii) Managerial Remuneration Managing Director	3,859,200	38,59,200



## 5. Employee benefits obligations

### 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 & loss.

#### Actuarial valuation of Gratuity & Leave Encashment

₹

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Projected Benefit Obligation at the beginning of the year</b>	<b>16,412,532</b>	14,053,733	<b>5,629,067</b>	4,627,739
Current Service Cost	<b>1,846,090</b>	1,683,564	<b>324,008</b>	773,414
Interest cost	<b>1,313,003</b>	1,124,299	<b>450,325</b>	370,219
Actuarial Gain/Loss	<b>-1,609,702</b>	-181,372	<b>1,256,503</b>	150,354
Less.Benefits Paid	<b>1,145,768</b>	267,692	<b>580,811</b>	292,659
Past Service Cost	-	-	-	-
<b>Projected Benefit Obligation at the end of the year</b>	<b>16,816,155</b>	16,412,532	<b>7,079,092</b>	5,629,067
Fair Value of Plan Assets at the beginning of the year	<b>16,606,501</b>	12,476,398	<b>10,368,709</b>	9,791,185
Expected return on plan assets	<b>1,409,989</b>	1,369,784	<b>865,180</b>	870,183
Actuarial Gain/loss	-	-	-	-
Employer Contributions	<b>1,007,503</b>	3,028,011	<b>313,707</b>	-
<b>Less. Benefits Paid</b>	<b>1,145,768</b>	267,692	<b>580,811</b>	292,659
<b>Fair Value of Plan Assets at the end of the year</b>	<b>17,878,225</b>	16,606,501	<b>10,966,785</b>	10,368,709
Amounts Recognised in the Balance Sheet				
Projected benefit obligation at the end of the year	<b>16,816,155</b>	16,412,532	<b>7,079,092</b>	5,629,067
Fair value of plan assets at end of the year	<b>17,878,225</b>	16,606,501	<b>10,966,785</b>	10,368,709
<b>Asset/Liability recognised in the Balance Sheet</b>	<b>1,062,070</b>	193,969	<b>3,887,693</b>	4,739,642
<b>Cost of retirement and other benefits for the year</b>				
Current Service Cost	<b>1,846,090</b>	1,683,564	<b>324,008</b>	773,414
Interest cost	<b>1,313,003</b>	1,124,299	<b>450,325</b>	370,219
Expected return on plan assets	<b>1,409,989</b>	1,369,784	<b>865,180</b>	870,183
Net actuarial (Gain/loss recognised in the year)	<b>-1,609,702</b>	-181,372	<b>1,256,503</b>	150,354
past service cost	-	-	-	-
<b>Net Cost recognised in the Statement of Profit and loss</b>	<b>139,402</b>	1,256,707	<b>1,165,656</b>	423,804
<b>Actuarial Assumptions</b>				
Discount Rate (%)	<b>8%</b>	8%	<b>8%</b>	8%

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.

**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	2015-16	2014-15
Profit/(Loss) After Tax	-32,083,592	25,211,030
Weighted average no. of shares	5,053,700	5,053,700
Basic and diluted earnings per share of ₹ 10/- each	-6.35	4.99

7. The company has provided deferred tax liability/ (Assets) of (₹ 20,789,331/-) for the current year (Previous year net deferred tax liability ₹ 5,235,541/-) as per the Accounting Standard 22. Breakup of deferred tax liabilities and reconciliation of current year deferred tax charge / income are given below: ₹

Particulars	As at 31.03.2015	Current Year 2015-2016	As at 31.3.2016
Deferred tax assets / (liabilities) arising on account of timing difference			
Depreciation	-44,147,138	-13,583,472	-57,730,610
R & D Equipment	-3,011,554	245,401	-2,766,153
Unabsorbed Depreciation	13,664,840	25,127,997	38,792,837
Unabsorbed Business Loss	-	8,999,405	8,999,405
Total	-33,493,852	20,789,331	-12,704,520

**8. A Particulars of remuneration to Statutory Auditors** ₹

Particulars	2015-2016	2014-2015
Audit Fees	600,000	600,000
Tax Audit	50,000	50,000
Fees for certification Charges	85,000	60,000
Out of pocket expenses	25,000	25,000
<b>Total</b>	<b>760,000</b>	<b>735,000</b>

**8. B Particulars of remuneration to Cost Auditors** ₹

Particulars	2015-2016	2014-2015
Audit Fees	75,000	75,000
Fees for Certification Charges	1,000	-
Out of pocket expenses	1,500	1,500
<b>Total</b>	<b>77,500</b>	<b>76,500</b>

**9. Particulars of Expenditure on Research & Development** ₹

Particulars	2015-2016	2014-2015
Capital	-	829,614
Recurring	11,202,685	15,720,149
<b>Total</b>	<b>11,202,685</b>	<b>16,549,763</b>
R & D Expenditure as % of Turnover	0.75	0.76



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. ₹

	31.03.2016	31.03.2015
Forward Exchange Contracts :		
No. of Contracts	Nil	8
Type	-	Sell
US \$ Equivalent	-	1,149,386
INR Equivalent	-	73,381,287

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

	Year ended 31.03.2016			Year Ended 31.03.2015		
	Currency	FC Amount	Rupee Equivalent	Currency	FC Amount	Rupee Equivalent
Purchase of Goods	USD	4,308,640	285,447,418	USD	5,957,896	372,368,475
Sale of Goods	USD	2,889,806	191,449,640	USD	3,879,898	240,948,963
Advance from Customers	USD	750,000	49,687,500	USD	-	-

11. Value of raw materials Consumed

Particulars	2015-2016		2014-2015	
	Value ₹	% to total consumption	Value ₹	% to total consumption
Imported	440,898,658	36.24	984,506,930	56.94
Indigenous	775,757,466	63.76	744,535,642	43.06
<b>Total</b>	<b>1,216,656,124</b>	<b>100.00</b>	<b>1,729,042,572</b>	<b>100.00</b>

12. Value of imports on CIF Basis (₹)

Particulars	2015-2016	2014-2015
Raw Materials	378,803,005	1,005,165,347
Plant & Machinery	30,50,807	2,760,240
<b>Total</b>	<b>381,853,812</b>	<b>1,007,925,587</b>

13. Expenditure in Foreign Currency ₹

Particulars	2015-2016	2014-2015
Sales Commission	507,687	-
Interest	139,752	173,392
Travelling Expenses	81,866	49,433
R&D Imports	139,752	1,268,893

14. Earnings in Foreign Currency

₹

Particulars	2015-2016	2014-2015
FOB value of exports	867,984,404	1,273,948,100
<b>Total</b>	<b>867,984,404</b>	<b>1,273,948,100</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 and on behalf of the Board

For **R. Kankaria & Uttam Singhi**

Chartered Accountants

Firm Reg. No.000442S

**Uttam Kumar Singhi**

Partner

M. No.027481

**D. Ranga Raju**

Chairman

DIN: 00066546

**S. Chandra Sekhar**

Managing Director

DIN: 00159543

Place : Hyderabad

Date : 25-05-2016

**B. Murali**

Chief Financial Officer

**B.N. Suvarchala**

Company Secretary



# BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

(CIN: L24219AP1993PLC015963)

Registered Office: "8-2-269/S/3/A, Plot no:3, Sagar Society,  
Road No:2, Bnajara Hills, Hyderabad - 500034

Email:info@bhagirad.com, website:www.bhagirad.com

Form No. MGT-11

## PROXY FORM

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

Name of the Member(s): \_\_\_\_\_

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

E-mail ID: \_\_\_\_\_ Folio No./Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being member(s) of Bhagiradha Chemicals & Industries Limited, holding \_\_\_\_\_  
shares of the Company, hereby appoint:

1. Name: \_\_\_\_\_

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

2. Name: \_\_\_\_\_

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

3. Name: \_\_\_\_\_

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me/us and on my/  
our behalf at the **Twenty Third Annual General Meeting** of the Shareholders of Bhagiradha Chemicals & Industries  
Limited will be held on **Friday the 12<sup>th</sup> day of August, 2016 at 11.00 am at Hotel Green Park, Green lands, Ameerpet,  
Hyderabad 500016** and at any adjournment thereof:

Sl. No.	Resolution(s)	Vote		
		For	Against	Abstain
	<b>Ordinary Business</b>			
1	Adoption of Audited financial statements for the year ended 31.03.2016			
2	Re-appointment of Mr. K.S. Raju as a Director			
3	Ratification of Re-Appointment of M/s. R Kankaria & Uttam Singhi, as Statutory Auditors of the Company.			
	<b>Special Business :</b>			
4	To ratify the remuneration payable to cost auditors M/s. Sagar & Associates, Cost Accountants, for the financial year ending 31 March 2017.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
₹1/-  
Revenue  
Stamp

Note:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the company.

\* Applicable for investors holding shares in Electronic form.

This page is intentionally left blank



## BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

(CIN: L24219AP1993PLC015963)

Registered Office: "8-2-269/S/3/A, Plot no:3, Sagar Society,  
Road No:2, Bnajara Hills, Hyderabad - 500034

Email:info@bhagirad.com, website:www.bhagirad.com

**23rd Annual General Meeting – Friday 12<sup>th</sup> August, 2016**

### Attendance Slip

Folio No./DP ID and Client ID:

No. of Shares held:

Name and address of

First/Sole Member:

I certify that I am a Member/Proxy/Authorised Representative for the member of the Company.

I hereby record my presence at the **Twenty Third Annual General Meeting** of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Friday the 12<sup>th</sup> day of August, 2016 at 11.00 am at Hotel Green Park, Green lands, Ameerpet, Hyderabad 500016.**

\_\_\_\_\_  
Name of the Member/Proxy  
(In BLOCK Letters)

\_\_\_\_\_  
Signature of the Member/Proxy

Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- Member/Proxy should bring his/her copy of the annual report for reference at the meeting.



This page is intentionally left blank



## BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

(CIN: L24219AP1993PLC015963)

Registered Office: 8-2-269/S/3/A, Plot No. 3, Sagar Society,

Road No. 2, Banjara Hills, Hyderabad - 500034

Email:info@bhagirad.com, website:www.bhagirad.com

### 23rd ANNUAL GENERAL MEETING

### Voting Through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and 44(1) SEBI (LODR) Regulations, 2015, the Company is providing e-voting facility to the Members of the Company, the facility to vote at the Twenty Third Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on Friday the 12th day of August, 2016. Members of the Company can transact all the items of the business through electronic voting system, provided by Central Depository Services Limited, as contained in the Notice of the Meeting.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Naresh Tiwari Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchange (BSE).

The procedure and instructions for members for voting electronically are as under :

The voting period begins at 10.00 A.M. on 9th August, 2016 and ends at 5 P.M. on 11th August, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Now click on "Shareholders" to cast your votes
- iii) User-ID For Members holding shares in Demat Form:
  - a) For CDSL:- 16 digits beneficiary ID
  - b) For NSDL:- 8 Character DPID followed by 8 Digits Client ID
 For Members holding shares in Physical Form:
  - a) Folio Number registered with the Company
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) 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.
- vi) If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

- |                       |  |
|-----------------------|--|
| PAN                   | <ul style="list-style-type: none"> <li>● Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <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                   | <ul style="list-style-type: none"> <li>● 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.</li> </ul>  |
| Dividend Bank Details | <ul style="list-style-type: none"> <li>● Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</li> </ul>   |
| Details               | <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 as mentioned in instruction (iv).</li> </ul>   |



- vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- viii) 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.
- ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- x) 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.
- xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xiii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xiv) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.,) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xv) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Yours Sincerely,  
For **Bhagiradha Chemicals & Industries Ltd**

Place : Hyderabad  
Date : 25.05.2016

**B.N.Suvarchala**  
Company Secretary



## E-Voting Page

Resolution No. as per Notice	Particulars	No. of Shares Held	For	Against	Abstain
	<b>Ordinary Business</b>				
1	Adoption of Audited financial statements for the year ended 31.03.2016				
2	Re-appointment of Mr. K.S. Raju as a Director				
3	Ratification of Re-Appointment of M/s. R Kankaria & Uttam Singhi, as Statutory Auditors of the Company.				
	<b>Special Business :</b>				
4	To ratify the remuneration payable to cost auditors M/s. Sagar & Associates, Cost Accountants, for the financial year ending 31 March 2017.				

Yours Sincerely,  
For **Bhagiradha Chemicals & Industries Ltd**

Place : Hyderabad  
Date : 25.05.2016

**B.N.Suvarchala**  
Company Secretary



This page is intentionally left blank