



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

25TH ANNUAL REPORT
2017-2018



25 Years of Commitment to Quality

BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

(CIN:L24219TG1993PLC015963)

2017-18 Annual Report

BOARD OF DIRECTORS

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



25th Annual General Meeting

Day	: Tuesday
Date	: 14 th August, 2018
Time	: 11.00 AM
Venue	: Hotel Green Park Greenlands, Ameerpet Hyderabad-500 016

BANKERS

State Bank of India
AXIS Bank Limited
Bank of India

AUDITORS

S. Singhvi & Co.
Chartered Accountants
Hyderabad - 500 016

COST AUDITORS

Sagar & Associates
Cost Accountants
Hyderabad - 500 001

SECRETARIAL AUDITORS

Naresh Tiwari & Associates
Company Secretaries
Hyderabad - 500 001

REGISTERED OFFICE

8-2-269/S/3/A, Plot No. 3
Sagar Society, Road No. 2
Banjara Hills, Hyderabad - 500 034
Tel. (040) 42221212
Fax (040) 23540444
Email: info@bhagirad.com

FACTORY

Cheruvukommupalem Village
Yerajarla Road, Ongole Mandal
Prakasam District, Andhra Pradesh 523 272

REGISTRAR & SHARE TRANSFER AGENT

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

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Bhagiradha Chemicals & Industries Limited

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Tuesday the 14th day of August, 2018 at 11.00 A.M. at Hotel Green Park, Greenlands, Ameerpet, Hyderabad - 500 016** to transact the following business:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2018 including Audited Balance sheet 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 D. Sadasivudu (DIN : 00017637), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. Ratification of Cost Auditors Remuneration for the F.Y:2018-19

To consider and if thought fit, to pass 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 31st March, 2019 be and is hereby determined as recommended by the Audit committee and approved by the Board of Directors.”

By Order of the Board

Date : 26.05.2018
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 scheduled time of meeting.
3. The Register of Members and Transfer Books of the Company will be closed from **8th August, 2018 to 14th August, 2018 (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 the meeting.
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 mentioning the Company's name i.e., Bhagiradha Chemicals & Industries Limited (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, mentioning therein the Company's name i.e., Bhagiradha Chemicals & Industries Limited (BCIL), their folio number and e-mail address.
9. The Annual Report 2017-18 as circulated to the members of the Company is also available on the website of the Company www.bhagirad.com

10. Voting for transaction of Business:

- (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 to 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 10th August, 2018 and ends at 5 P.M. on 13th August, 2018.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on (cut-off date) of 3rd August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Procedure with respect to remote evoting is provided below.

- i) Open your web browser during the voting period and log on to the e-voting website 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 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">● Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat\shareholders as well as physical shareholders)● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.● In case the sequence number is less than 8 digits enter the applicable number of 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. |
| 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 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** 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
- 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, under help section or write an email to desk.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 D. Sadasivudu
DIN NO	00017637
Date of Birth	20-04-1946
Date of Appointment	07-07-1993
Qualifications	M.Tech
Experience in specific functional areas	He joined the Indian Institute of Chemical Technology in the year 1972 as an Assistant Director in the Design & Engineering Division. Sri. D. Sadasivudu co-promoted Bhagiradha Chemicals & Industries Limited in the year 1993.
Directorship held in other listed entities	Nil
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders’ Relationship Committee	Nil
Number of shares held in the company	63,600
Relationship with any Director(s) of the Company	Nil

By Order of the Board
For Bhagiradha Chemicals & Industries Limited

Date : 26.05.2018
Place : Hyderabad

B. N. Suvarchala
Company Secretary



Explanatory statement

ITEM NO: 3

Ratification of Cost Auditors Remuneration for the F.Y : 2018-19

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 26th May, 2018 has approved the re-appointment and remuneration of 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 31st March, 2019 on a remuneration of ₹ 75,000/- (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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

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.

All the documents referred to in the accompanying Notice and Statement Annexed thereto would be available for inspection without any fee by the members at the Corporate Office of the Company during 10:00 A.M. to 1:00 P.M on any working day (excluding Sunday) up to the date of the meeting.

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 31.03.2018 (in ₹.)	Due Date for transfer to IEPF
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.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report of your Company together with the audited statement of accounts for the year ended 31st March, 2018.

Financial performance

The attached Financial Statements for the year ended 31.03.2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") consequent to the Notification of the Companies (Indian Accounting Standards) Rules, 2015 issued by The Ministry of Corporate Affairs. The company has restated its Balance Sheet as at 01.04.2016 and financial statements for the year ended 31.03.2017, for the first time as per Ind AS.

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net Sales	18330.91	20279.27
Other income	76.83	198.01
Operating profit (PBDIT)	1235.76	1332.54
Depreciation	(292.06)	(383.60)
Interest	(691.81)	(694.27)
Profit Before Exceptional Items and Tax	251.89	254.67
Exceptional Items	(827.12)	-
Profit after Exceptional Items and Tax	(575.23)	254.67
Provision for tax (Incl. deferred tax)	445.06	(155.81)
Profit after tax	(130.17)	98.86
Earning per share (EPS)	(2.09)	1.96
Diluted EPS	(2.02)	1.96

Performance review:

The Board of Directors are pleased to inform that the company has achieved a turnover of ₹18673 Lakhs (₹21879 Lakhs). The net revenue from operations for the current year is ₹ 18331 Lakhs (₹20279 Lakhs). The Loss before tax for the year is ₹ 575 Lakhs as against the profit of ₹255 Lakhs during the preceding year.

Exceptional items-Fire accident impact:

During the year a fire accident occurred in the Block-III at the factory premises of the company on 20-05-2017, which caused extensive damage to the Civil structures, Plant & Equipment, Electrical Installations and stocks. The company has made an assessment of loss and lodged claim of ₹ 1693.14 Lakhs with the insurance company towards damage suffered. Insurance company has assessed the loss and released an adhoc payment of ₹ 866.03 Lakhs, pending final settlement and the company had disclosed the loss net of insurance claim received as an exceptional item in the statement of profit and loss.

However the production Block-III was commissioned successfully on 28th March, 2018.

Dividend:

Your Directors did not recommend any dividend for the financial year 2017-18.



Board Meetings:

The Board of Directors duly met 6 times during the financial year from 1st April, 2017 to 31st March, 2018. The meetings were held on 22nd May 2017, 29th August, 2017, 22nd September, 2017, 27th October, 2017, 04th December, 2017 and 12th February, 2018.

Directors:

In accordance with the provisions of the Companies Act, 2013, Sri D. Sadasivudu (DIN: 00017637) 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 31st March, 2018 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:

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members at the Annual General Meeting of the Company held on 26th September 2017 appointed M/s. S. Singhvi & Co., Chartered Accountants (FRN: 003872S) as statutory auditors of the Company from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General



Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7 May 2018, ratification of auditors' appointment is no longer required.

The statutory audit report for the year 2017-18 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Cost Auditors:

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s. Sagar & Associates, Cost Accountants, Hyderabad as Cost Auditors of the company for the year 2018-2019 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 2016-17 has been filed under XBRL mode within the due date.

The Cost Audit Report for the F.Y 2016-17 does not contain any qualification, reservation or adverse remark.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, The Company has appointed M/s. Naresh Tiwari & Associates, Practising company secretaries to undertake the Secretarial Audit of the Company for the financial year 2017- 18. The Secretarial Audit Report issued in Form MR-3 is in **Annexure - III** to this Report.

There are no qualifications, Reservations or adverse remarks in the Secretarial Audit Report.

Share capital:

Preferential allotment:

During the year the company has issued 27,40,000 equity shares and 5,16,000 convertible warrants on preferential basis to promoter and non-promoter group each at a price of ₹181/- (Including premium of ₹ 171/-). The paid up capital of the company has been increased from ₹50,537,000 divided into 50,53,700 equity shares of ₹ 10/- each to ₹ 77,937,000 divided into 7,793,700 equity shares of ₹ 10/- each.

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 pursuance of 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.

Stakeholder Relationship Committee:

Stakeholder Relationship Committee comprises of Shri.D. RangaRaju as Chairman and Shri Sudhakar Kudva and Shri D. Sadasivudu as members. The details of terms of reference of the Committee members, 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 enclosed as **Annexure - I**.



Corporate Social Responsibility (CSR):

During the year, the provisions relating to CSIR policy under of section 135 read with Schedule VII of the Companies Act, 2013, do not apply to the company. Hence, the company has not contributed towards CSR Activity.

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-V**.

Subsidiaries, Joint ventures and Associate Companies:

During the year under review the company does not have any subsidiaries , joint ventures and associated companies.

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

Disclosure as per The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

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 2017-18, no complaint was received under the policy

Particulars of Employees:

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

Total no of employees in the company as on 31st March, 2018 is 299.

Remuneration of the Directors / Key Managerial Personnel (kmp) / 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 in MGT-9.

Listing with Stock Exchange:

The Board of Directors confirms that, the annual listing fees has been paid for the year 2018-2019 to BSE where the Company's Shares are listed.

Dematerialization of shares:

99.52% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2018 and balance **0.48%** 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 the 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 - IV**.

Research & Development:

R&D continues to do a good job in process development. Over the years, it has adapted to changing and difficult times, and has been contributing to 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 : 26.05.2018

Place : Hyderabad

D. Ranga Raju

Chairman



Annexures to the Directors' 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 in Form A are given hereunder:

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
I. ENERGY CONSERVATION POWER& FUEL CONSUMPTION		
1. Electricity		
(i) Purchased units(kwh)	11,356,490	18,097,636
Total amount (₹) (including demand charges)	82,679,871	119,210,664
Unit Rate (₹)	7.28	6.59
(ii) Own generation(on diesel)		
a) Diesel consumption (Ltrs)	36,800	40,200
No of units	110,400	120,600
Units/ Liter of Diesel	3.00	3.00
Total amount (₹)	2,393,992	2,461,228
unit cost (₹)	21.68	20.41
b) steam Turbine Generation		
No of units	Nil	Nil
Units/ton of Steam	Nil	Nil
Cost/Unit (₹)	Nil	Nil
2. 'C' Grade coal used in Boiler		
Quantity (MT)	13,800	16,101
Total Cost (₹)	85,475,401	90,377,604
Average Rate/MT	6,194	5,613
3. Furnace oil		
Quantity(Ltrs)	2,000	75,330
Total cost (₹)	59,720	1,750,127
Average Rate/Ltr	29.86	23.23
4. Others /Internal Generation		
Quantity(MT)	Nil	Nil
Total cost (₹)	Nil	Nil
Average Rate/MT	Nil	Nil
II. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity purchased & own Generation (units)	4,920	6,812
Furnace Oil (Ltr)	0.75	28.17
Coal Quality 'C' Grade (MT)	5.92	6.02



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 have brought and will continue to bring 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 2017- 2018 the company has
 - Continued Optimization of the existing process.
 - Commercialized new herbicide intermediate.
 - Completed laboratory development of process technology for products proposed for exports which are expected to be commercialized in FY 2018-19.
- 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 2017-2018

	₹ In Lakhs
Capital	64.94
Recurring	80.02
Total	144.96
R&D expenditure as a percentage of total turnover	0.79

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

Foreign exchange earnings and outgo:

	₹ In Lakhs
Earnings	5457.09
Outgo	6676.40



Management Discussion and Analysis

a) Industry structure and developments

According to reports Global Agrochemical Market was estimated at USD 220.9 billion in 2016 and was expected to grow at CGAR of 3.7% to USD 269.7 billion by 2022. The Crop Protection Chemical Market was estimated at USD 53.695 billion in 2017 and expected to grow at CGAR of 5.5% from 2017 to 2025 due to rising occurrences of pest and rodent attacks damaging crops. The Asia Pacific market is expected to witness the highest growth over the forecast period due to the growing agro-based industries including sugar, textiles, vegetable oil manufacturing, and animal husbandry

India is the fourth largest global producer of pesticides with an estimated market size of around \$4.9 billion in FY17 after United States, Japan and China. The Indian pesticide industry is predominant with generic products and has a substantial opportunity with a number of products going off-patent during 2017-2020.

b) Opportunities and Threats

China has been the global hub for pesticide manufacturing and it exported pesticides worth USD 4.765 billion USD in 2017. With the introduction of China's new environmental program, a number of industrial facilities and chemical plants are required to upgrade their facility to adhere to the new environmental norms. This would result in significant investments in pollution control and pollution monitoring equipment and will also result in increase in the cost of production. There is already surge in the prices of pesticide and pesticide intermediates imported from China. BCIL is investing in backward integration of some key pesticide intermediates from base raw materials which will result in increase in the product margins and thus the profitability.

Indiscriminate use of pesticides is resulting in resistance in target pests thereby rendering the pesticides ineffective. Rising sale of spurious pesticides and spiked bio-pesticides also pose a major threat to the industry. Going forward, the industry needs increased scope by way of regulations to include all types of pesticides including biopesticides and increased inspection to contain the growth of spurious products.

c) Financial performance vis-a-vis operational performance

The net sales revenue of the company is ₹ 18330.91 Lakhs against previous year revenue of ₹ 20279.27 Lakhs. Though Block-III was not operational for more than ten months in the financial year due to fire accident, the company was able to achieve sales turnover of 90% of the previous year. Azoxystrobin and Chlorpyrifos will be the key products for the company in FY2019 which are expected to contribute more than 50% of the company's revenues.

d) Outlook

Due to the uncertainty in manufacturing and supply of pesticides and pesticide intermediates from China, the Indian industry is expected to seize the opportunity and grow in double digits. The domestic and export revenues of the company are expected to improve significantly under the current circumstances.

e) Risks and Concerns

Most of the Indian companies are dependent on supply of agrochemical intermediates from China. The availability and pricing of these intermediates have significant bearing on the profitability. By backward integration of the manufacturing process to the base chemicals, the dependency on specific intermediates can be greatly reduced.

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 for 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 directors envisage in terms of future performance and outlook.

ANNEXURE- III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2018

[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 31st March 2018, 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 31st March, 2018 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)**



Bhagiradha Chemicals & Industries Limited

- (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)**
 - (i) The Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.
- (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 Secretarial Standards issued by The Institute of Company Secretaries of India

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.

We Report that,

1. During the audit period, there was a fire accident at the premises of the factory of the company, which resulted in damage of properties of Block III of the factory.
2. During the year the company has issued 27,40,000 equity shares and 5,16,000 convertible warrants on preferential basis to promoter and non-promoter group each ₹ 181/-(Including premium of ₹ 171/-).

For **NARESH TIWARI AND ASSOCIATES**

CS. NARESH TIWARI

ACS No. 26932

C P No.: 12889

Date : 26.05.2018

Place : Hyderabad

ANNEXURE- IV

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 (s) of the related party	Nagarjuna Agrichem Limited
Nature of Relation ship	Related Party
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 th November, 2015.
Amount incurred during the year (₹)	Sales: ₹ 100,647,650
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



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

as on the financial year ended on 31.03.2018

[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 : L24219TG1993PLC015963
- 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	20211	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	Nil	Nil	Nil	Nil	Nil



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	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individual/HUF	1,166,687	-	1,166,687	23.09	1,553,183	-	1,553,183	19.93 (3.16)
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	1,166,687	-	1,166,687	23.09	1,553,183	-	1,553,183	19.93 (3.16)
(2) Foreign								
a) NRI- Individuals	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-
Total Promoter Share holding (A) = (A)(1)+(A)(2)	1,166,687	-	1,166,687	23.09	1,553,183	-	1,553,183	19.93 (3.16)
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-
f) Insurance Companies	-	--	-	-	-	-	-	-



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	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPI)	-	-	-	-	200,000	-	200,000	2.57	2.57
SUB TOTAL (B)(1):	-	-	-	-	200,000	-	200,000	2.57	2.57
2. Non Institutions									
a) Bodies corporate(India)	2,504,324	8,900	2,513,224	49.73	2,602,390	8,900	2,611,290	33.51	(16.22)
Bodies corporate(overseas)	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	605,658	41,231	646,889	12.80	655,520	37,131	692,651	8.89	(3.91)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	720,227	-	720,227	14.25	2,229,955	-	2,929,955	28.61	14.36
C) Any other (Specify) NRIs	6,673	-	6,673	0.13	6,621	-	6,621	0.09	(0.04)
Clearing Members	-	-	-	-	60	-	60	0.00	-
HUF	-	-	-	-	500,000	-	500,000	6.42	6.42
SUB TOTAL (B)(2):									0.02
Total Public Shareholding (B)= (B)(1)+(B)(2)	3,836,882	50,131	3,887,013	76.91	6,194,486	46,031	6,240,517	80.07	0.02
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,003,569	50,131	5,053,700	100	7,747,669	46,031	7,793,700	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 Chandra Sekhar	23,200	0.46	-	11,57,300	14.84	8.54	14.38
2	Eadara Jayalaxmi	200,213	3.96	-	200,213	2.57	-	-
3	Dodda Sadasivudu	63,600	1.26	-	63,600	0.82	-	-
4	Singavarapu Lalitha Sree	60,000	1.19	-	60,000	0.77	-	-
5	Kudaravalli Rama Krishna	5,000	0.10	-	25,000	0.32	-	0.22
6	Kudaravalli Sri Lakshmi	4,500	0.09	-	24,500	0.31	-	0.22
7	T Kalyan Chakravarthi	10,000	0.20	-	10,000	0.13	-	-
8	K Baby	10,000	0.20	-	10,000	0.13	-	-
9	Potini Vijayalakshmi	2,570	0.05	-	2,570	0.03		
10	Venkata narasimharao tatineni	19,930	0.39					
11	Kasukurthi Bhavani Shankar	7,000	0.14					
12	Tatineni Sridhar	6,100	0.12					
13	B VasanthaBai	5,000	0.10					
14	Katragadda Chinnammai	4,000	0.08					
15	Chalasani Niranjana	3,000	0.06					
16	K. Samarjyam	2,500	0.05					
17	Kadiyala Venkateswara Rao	2,500	0.05					
18	Kanakamedala Leela	1,500	0.03					
19	Tatineni Vallikadevi	1,200	0.02					
20	Inapuri Radha Krishna Rao	674	0.01					
21	Mulpuri Katyayani	100	0.00					

The Promoters from Sr.No. 10 to 21 have been reclassified into public group through Postal Ballot Notice dated 13.02.2017

(iii) Change in Promoters Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date wise Increase / Decrease	No of shares	Reasons for increase / decrease	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	27-10-2017	4,00,000	Prefrential allotment	11,57,300	14.84
				14-12-2017	7,34,100	Transmission		
2.	Kudaravalli Rama Krishna	5,000	0.10	27-10-2017	20,000	Prefrential allotment	25,000	0.32
3.	Kudaravalli Sri Lakshmi	4,500	0.09	27-10-2017	20,000	Preferential allotment	24,500	0.31



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.	R Venkata Narayana	100,000	1.98	600,000	7.70
2.	Nagarjuna Impex Private Limited	510,300	10.10	510,300	6.55
3.	Rajesh Nuwal	-	-	500,000	6.42
4.	Mukul Mahavir Agrawal	-	-	500,000	6.42
5.	Siddharth Iyer	-	-	400,000	5.13
6.	Royal touch multitrade private limited	396,600	7.85	396,600	5.09
7.	V V S S Estates Private Limited	239,500	4.74	239,500	3.07
8.	Chinnar Securities Private Limited	230,100	4.55	230,100	2.95
9.	Liza Multitrade Private Limited	208,348	4.12	208,348	2.67
10.	S S V V Agro Farms Private Limited	201,500	3.99	201,500	2.59

(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	1,157,300	14.84
2.	S. Lalitha Sree	60,000	1.19	60,000	0.77
3.	D. Sadasivudu	63,600	1.26	63,600	0.81

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

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.				
i) Principal Amount	128,234,627	180,982,277	-	309,216,904
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	128,234,627	180,982,277	-	309,216,904
Change in Indebtedness during the financial year				
Addition	75,000,000	117,800,000	-	192,800,000
Reduction	39,562,849	175,591,891	-	215,154,740
Net Change	35,437,151	-57,791,891	-	-22,354,740
Indebtedness at the end of the financial year.				
i) Principal Amount	163,671,778	123,190,386	-	286,862,164
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	14,800,311	-	14,800,311
Total (i+ii+iii)	163,671,778	137,990,697	-	301,662,475



VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

₹

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	3,859,200		3,859,200
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-		-
	(c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	-		-
2.	Stock option	-		-
3.	Sweat Equity	-		-
4.	Commission			
	- as % of profits	-		-
	- others	-		-
5.	Others	-		-
	Total A	3,859,200		3,859,200
	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. RangaRaju	Sudhakar kudva	
1.	Independent Directors			
	• Fee for attending board /committee meetings	100,000	120,000	220,000
	• Commission	-	-	-
	• Others	-	-	-
	Total (1)	100,000	120,000	220,000

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		K.S Raju	D. Sadasivudu	S. Lalitha sree	
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	10,000	70,000	40,000	120,000
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (2)	10,000	70,000	40,000	120,000
	Total (B) = (1)+(2)				340,000



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD

₹

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	3,096,665	2,692,752	534,352	6,223,769
	(b) Value of perquisites u/s 17 (2) of Income Tax Act, 1961	-	-	-	-
	(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	-	-	-	-
	Total	3,096,665	2,692,752	534,352	6,223,769

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, during the year.



REPORT ON CORPORATE GOVERNANCE

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

In accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 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 31st March 2018 is given below:

Name of Director	Relationship with other Directors	No of Shares	Category	Number of Directorships in other companies		Number of Committee Memberships in other companies	
				Chairman	Member	Chairman	Member
D. RangaRaju	Nil	Nil	Non-Executive & Independent	-	2	1	-
Sudhakar Kudva	Nil	Nil	Non-Executive & Independent	-	1	1	1
K.S. Raju	Nil	Nil	Non-Executive & Non Independent	1	2	-	3
D. Sadasivudu	Nil	63,600	Non-Executive Promoter	None	None	None	None
S. Chandra Sekhar	Nil	1,157,300	Executive Promoter	None	None	None	None
S. Lalitha Sree	Wife of Shri. S. Chandra Sekhar	60,000	Non Executive & Non Independent Woman Director	None	None	None	None

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 Reg. 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Notes:

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



(ii) Meetings & Attendance

The Board generally meets 6 times during the year. The Directors are also given option of attending the Board Meeting through video conferencing, none of the board meetings was held through video conferencing. During the year ended 31st March, 2018, the Board of Directors had 6 meetings. These were held on 22nd May, 2017, 29th August, 2017, 22nd September, 2017, 27th October, 2017, 04th December, 2017 and 12th February, 2018. The last Annual General Meeting (AGM) was held on 26th September, 2018. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time.

The attendance record of the Directors at the Board Meetings during the year ended 31st March, 2018 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 6	Yes
2.	Sudhakar Kudva	Non-Executive, Independent	6 of 6	Yes
3.	K.S. Raju	Non-Executive, Non-Independent	1 of 6	No
4.	D. Sadasivudu	Non-Executive, Non-Independent	5 of 6	Yes
5.	S. Chandra Sekhar	Managing Director	6 of 6	Yes
6.	S. Lalitha Sree	Non-Executive, Non-Independent	4 of 6	Yes

(iii) Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing (Obligation and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on 12th February, 2018 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) 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, Managing Director, Chief Operating Officer and Chief Financial Officer 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 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 judgment, 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: 22nd May 2017, 29th August, 2017, 04th December, 2017 and 12th February, 2018.

The attendance of each of the members of the Committee is given below:

Date of Meeting	D. RangaRaju	Sudhakar Kudva	S. Chandra Sekhar
22.05.2017	Yes	Yes	Yes
29.08.2017	Yes	Yes	Yes
04.12.2017	Yes	Yes	Yes
12.02.2018	Yes	Yes	Yes
Total number of meetings attended	4	4	4

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 as 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 not conducted any meeting.

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

(ii) Terms of reference

The Nomination and Remuneration Committee assists the Board in overseeing the method, criteria and quantum of compensation for directors and senior management personnel based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the



Bhagiradha Chemicals & Industries Limited

Board of Directors; identifies the persons who are qualified to become directors, and who may be appointed in senior management cadre 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) Regulations, 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. Performance of the Whole time Director
16. 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 2017-2018.

(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 given in the Nomination and Remuneration Policy. The web link for the same is [http://www.bhagirad.com/reports/policy/Nomination % 20 and % 20 remuneration % 20 policy.pdf](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 are as follows:

(Amount in ₹)

Name	Salary & allowances	Other Benefits	Designation	Gross Remuneration
S. Chandra Sekhar	3,859,200	-	Managing Director	3,859,200

For Non- Executive Directors

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

(Amount in ₹)

Sr. No.	Name of the Director	Relationship with other Directors	Sitting Fees
1.	D. RangaRaju	Nil	100,000
2.	Sudhakar Kudva	Nil	120,000
3.	K.S. Raju	Nil	10,000
4.	D. Sadasivudu	Nil	70,000
5.	S. LalithaSree	Wife of Sri S. Chandra Sekhar	40,000
TOTAL			340,000

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. RangaRaju, Non-Executive Independent Director is the Chairman of the Committee.
- ii) The details of the meetings held during the year are as under

During the period the company had held two committee meetings i.e., 22nd May, 2017 and 04th December, 2017.

Director	Position	Meetings Held	Meetings Attended
D. Ranga Raju (Chairman)	Non-Executive Independent Director	2	2
Sudhakar Kudva (Member)	Non-Executive Independent Director	2	2
D. Sadasivudu (Member)	Non-Executive Director	2	2

- iii) No. of investors' complaints received by the RTA/ Company during the year: Nil

No. of complaints not solved to the satisfaction of shareholders during the year: Nil

No. of complaints pending as at 31st March, 2018: Nil

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



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7. General Body Meetings:

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

Year	Date	Venue	Time	Special Resolution
2014-15	08.08.2015	Hotel Green Park, Ameerpet, Hyderabad	11.00 A.M	1. To Appoint of Shri S. Chandra Sekhar as Managing Director 2. To alter the AOA of the company in conformity with the companies Act, 2013
2015-16	12.08.2016	Hotel Green Park, Ameerpet, Hyderabad	11.00 A.M	Nil
2016-17	26.09.2017	Hotel Green Park, Ameerpet, Hyderabad	11.00 AM	1. Adoption of MOA as per Companies Act,2013 2. To approve the increase in borrowing limits

- ii) There was one Extraordinary General Meeting conducted during the year on 16-10-2017 for the purpose of further issue of 2,740,000 equity shares of ₹ 10 each fully paid and 516,000 convertible warrants of ₹ 10/- each at a price of ₹ 181/-(including a premium of ₹171/-) on preferential basis
- iii) There was no postal ballot during the year.

8. Means of Communication:

Quarterly results approved by the Board are usually published in Business Standard (English) and Prajashakti/Andhra Prabha/Nava Telangana (Telugu) newspapers. In addition to this the 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 Fifth Annual General Meeting

Date : 14th August, 2018
Day : Tuesday
Time : 11.00 AM
Venue : Green Park Hotel

- ii) Financial Year : April to March
iii) Date of book closure : **08-08-2018 to 14-08-2018 (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 has been paid within prescribed time period

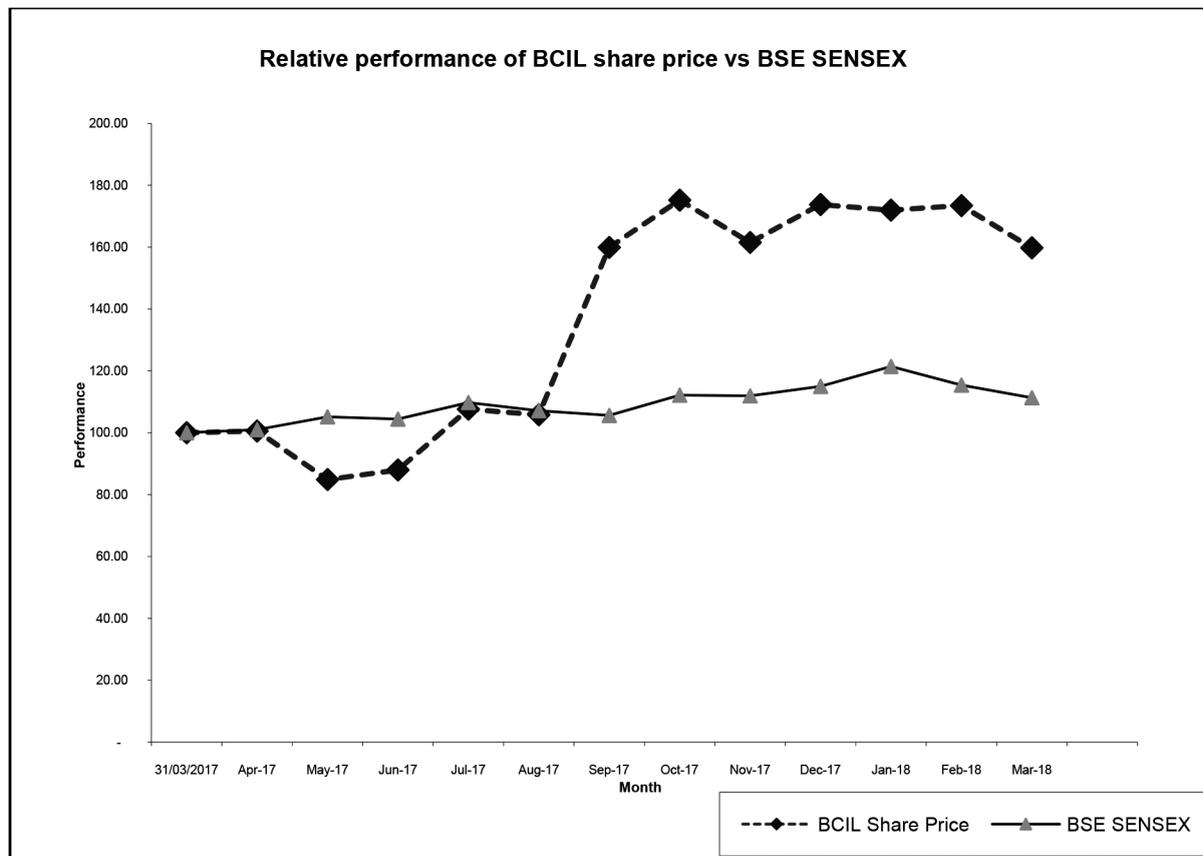


vi) Market price data

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 2017	194.85	165.15
May 2017	179.50	144.00
June 2017	161.00	131.00
July 2017	195.15	148.00
August 2017	216.95	165.25
September 2017	315.00	150.00
October 2017	324.35	270.00
November 2017	313.75	279.30
December 2017	331.00	262.00
January 2018	389.00	297.00
February 2018	340.00	265.00
March 2018	314.95	270.00

vii) Performance of the share price of the company in comparison to BSE SENSEX for the period 1st April'2017 to 31st March' 2018 is given below:





Bhagiradha Chemicals & Industries Limited

Month	BCIL CLOSE share price at BSE	BSE SENSEX Close	Relative index for Comparison purpose	
			BCIL Share Price at BSE	BSE SENSEX
April 2017	174.90	29918.40	100.55	100.01
May 2017	147.60	31145.80	84.85	105.15
June 2017	153.00	30921.61	87.96	104.39
July 2017	187.20	32514.94	107.62	109.77
August 2017	184.05	31730.49	105.81	107.12
September 2017	278.20	31283.72	159.93	105.62
October 2017	304.80	33213.13	175.22	112.13
November 2017	281.00	33149.35	161.54	111.91
December 2017	302.30	34056.83	173.79	114.98
January 2018	299.15	35965.02	171.97	121.42
February 2018	301.70	34184.04	173.44	115.41
March 2018	277.95	32968.68	159.79	111.30

Source: www.bseindia.com

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@gmail.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 M/s. 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 31st March, 2018

Sl. No.	Shareholding of nominal value	Number of shareholders	Percentage of shareholders	Amount of Shareholding (₹)	Percentage of shares held
1	upto 5000	1,543	81.73	1,735,430	2.23
2	5001-10000	131	6.94	1,060,990	1.36
3	10001-20000	73	3.87	1,107,320	1.42
4	20001-30000	38	2.01	962,440	1.23
5	30001-40000	9	0.48	328,160	0.42
6	40001-50000	21	1.11	987,150	1.27
7	50001-100000	25	1.32	1,967,570	2.52
8	Above 100000	48	2.54	69,787,940	89.54
	Total	1,888	100.00	77,937,000	100.00
Sl. No.	Mode of Holding				
1	PHYSICAL	55	2.92	37,131	0.48
2	DEMAT	1,833	97.08	7,756,569	99.52
	TOTAL	1,888	100.00	7,793,700	100.00



xi) Categories of Shareholding as on 31st March 2018:

Category	No. of shares held	No. of shareholders	% to Equity
Promoters & Person Acting Concert	1,553,183	9	19.93
Body Corporate	2,611,230	77	33.50
Indian Public	3,422,606	1,775	43.91
Non Resident Indian	6,621	24	0.084
Clearing Members	60	2	0.00
FPI	200,000	1	2.56
	7,793,700	1,888	100.00

*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 dematerialized 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 XLSoftech 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	No. of shares	%
Demat	7,756,569	99.52
Physical	37,131	0.48
Total	7,793,700	100.00

* 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 issued 516,000 convertible Warrants on preferential basis.

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, 2018 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- (ii) No penalties were 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.



Bhagiradha Chemicals & Industries Limited

(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, 2018 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:2017-2018.

Pursuant to the schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I hereby confirm that the company has received affirmations on compliance with code of conduct for the financial year ended 31st March, 2018 from all the Board members and Senior Management Personnel.

For and on behalf of the Board

Date : 26.05.2018
Place : Hyderabad

S. Chandra Sekhar
Managing Director

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:
- these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - 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
- there are no significant changes in internal control over financial reporting during the year
 - there are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - 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

Date : 26.05.2018
Place : Hyderabad

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 31st March, 2018, 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 Exchange 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 **S. Singhvi & Co.**
Chartered Accountants
Firm Registration No. 003872S

Date : 26.05.2018
Place : Hyderabad

S. Singhvi
Proprietor
MEMBERSHIP No. 023125/ICAI



INDEPENDENT AUDITOR'S REPORT

**To the Members of
Bhagiradha Chemicals & Industries Limited**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Bhagiradha Chemicals & Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS 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 Ind AS 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 thereunder.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following Notes to the financial statements:

Note No. 24 regarding the exceptional item is pertaining to loss due to fire which affected Block-3 situated at factory premises on 20-05-2017, the company has recognised in the statement of profit and loss, the loss due to fire of ₹ 8.27 crores net of insurance claim received on adhoc basis on account of loss of damaged Plant & Machinery, Electricals and Inventories. The company has further incurred ₹ 2.58 crores towards re-instatement of factory building and the same is charged to statement of profit and loss as current repairs.

Our opinion is not modified in respect of above matters.



Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and transition date opening Balance Sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor, whose report dated 22-05-2017 and 25-05-2016, respectively, expressed an unmodified opinion on those financial statements, as adjusted for the difference in accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
 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.
 - 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, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amount as at 31st March, 2018 which are required to be transferred to the Investor Education and Protection Fund by the Company.

For S Singhvi & Co.
Chartered Accountants
Firm Regi. No. 003872S

Shailendra Singhvi
Proprietor
Membership No.023125/ICAI

Place: Hyderabad
Date: 26-05-2018



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, 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, Goods & Service 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 Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax as on 31st March, 2018 except the followings:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	A Y 2009-10	71,50,479/-	Commissioner of Income Tax (Appeal)

- 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 raised money by way of term loans and has applied for the purpose for which it was raised, company has not raised money by way of initial public offer or further public offer (including debt instruments) 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) In our opinion, 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 made preferential allotment of shares and convertible share warrants on private placement basis during the year under review and the company has complied with the requirement of section 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which the fund were raised.
- 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 S Singhvi & Co.
Chartered Accountants
Firm Regi. No. 003872S

Place: Hyderabad
Date: 26-05-2018

Shailendra Singhvi
Proprietor
Membership No.023125/ICAI



**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, 2018 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.

Auditors’ 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, 2018, 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 S Singhvi & Co.
Chartered Accountants
Firm Regi. No. 003872S**

**Shailendra Singhvi
Proprietor
Membership No.023125/ICAI**

**Place: Hyderabad
Date: 26-05-2018**



Bhagiradha Chemicals & Industries Limited

BALANCE SHEET AS AT 31ST MARCH, 2018

₹

Particulars	Note	As AT 31.03.2018	As AT 31.03.2017	As AT 01.04.2016
ASSETS				
Non Current Assets				
Property, plant and equipment	3 & 3A	766,441,031	687,207,687	663,366,960
Intangible assets	4	87,797	132,907	-
Intangible assets under development	4A	4,395,800	-	-
Financial assets				
Loans	5A	21,391,125	17,661,525	16,985,893
Deposits and others	5B	7,828,428	7,708,866	7,514,106
Deferred tax assets (Net)	7	82,837,288	40,552,200	55,312,636
		882,981,470	753,263,185	743,179,595
Current Assets				
Inventories	8	966,733,281	1,061,580,910	721,037,661
Financial assets				
Trade receivables	9	355,744,382	171,257,738	278,306,136
Cash & cash equivalents	10A	34,427,200	6,855,611	7,248,371
Bank balances other than above	10B	1,472,138	-	-
Deposits and others	5C	87,792,333	1,189,700	1,189,700
Current tax assets (Net)	11	978,396	776,879	1,173,951
Other current assets	6	100,460,856	68,178,143	70,317,985
		1,547,608,586	1,309,838,981	1,079,273,804
Total Assets		2,430,590,056	2,063,102,166	1,822,453,400
EQUITY and LIABILITIES				
Equity				
Equity share capital	12	78,182,500	50,782,500	50,782,500
Other equity	13	940,149,398	461,081,693	452,949,607
Total Equity		1,018,331,898	511,864,193	503,732,107
Non Current Liabilities				
Financial liabilities				
Borrowings	14A	117,802,213	102,667,853	145,893,356
Other financial liabilities	14C	18,296,586	19,821,302	21,346,018
Provisions	15	8,885,273	8,066,026	1,305,058
		144,984,072	130,555,181	168,544,432
Current Liabilities				
Financial liabilities				
Borrowings	14B	425,498,862	487,211,647	410,297,850
Trade payables	14D	655,330,213	772,491,711	601,868,655
Current maturities and other liabilities	14E	183,725,702	118,502,195	86,023,372
Other current liabilities	16	2,719,308	42,477,239	51,986,983
		1,267,274,085	1,420,682,792	1,150,176,860
Total Equity and Liabilities		2,430,590,056	2,063,102,166	1,822,453,400
Summary of significant accounting policies	1-2			

The accompanying notes are an integral part of the financial statements 3-44

As per our report of even date

For S Singhvi & Co.

Chartered Accountants

ICAI Firm Registration Number : 003872S

Shailendra Singhvi

Proprietor

Membership No. 023125/ICAI

For and on behalf of the **Board of Directors**
Bhagiradha Chemicals & Industries Limited

D Ranga Raju

Chairman

DIN No. 00066546

S Chandra Sekhar

Managing Director

DIN No. 00159543

Place: Hyderabad

Date: 26.05.2018

B Murali

Chief Financial Officer

B N Suvarchala

Company Secretary


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018 ₹

Particulars	Note	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
INCOME			
Revenue from Operations (Gross)	17	1,867,260,752	2,187,858,140
Other Income	18	7,683,064	19,801,428
Total Revenue (I)		1,874,943,816	2,207,659,568
EXPENSES			
Cost of Materials Consumed	19	1,383,737,702	1,486,709,216
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	20	(105,405,961)	(86,669,934)
Excise duty on sale of goods		34,169,656	159,931,289
Employee Benefits Expenses	21	115,932,844	117,287,672
Finance Cost	22	69,180,928	69,427,094
Depreciation and Amortisation	3 & 4	29,206,226	38,359,763
Other Expenses	23	322,933,206	397,147,476
Total Expenses (II)		1,849,754,601	2,182,192,576
Profit Before Exceptional Items and Tax		25,189,215	25,466,992
Exceptional Items	24	(82,711,805)	-
Profit Before Tax		(57,522,590)	25,466,992
Tax Expense	25		
Current tax		-	-
Adjustment of current tax relating to earlier years		-	(45,528)
Deferred tax charge/ (credit)		(44,505,668)	15,626,686
Total tax expense		(44,505,668)	15,581,158
Profit for the year		(13,016,922)	9,885,834
OTHER COMPREHENSIVE INCOME (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on employee defined benefit plans		6,716,207	(2,619,998)
Deferred tax credit		(2,220,580)	866,250
Total other comprehensive income for the year, net of tax		4,495,627	(1,753,748)
Total comprehensive income for the year, net of tax		(8,521,295)	8,132,086
Earnings Per Equity Share ₹ 10/- each fully paid (March 31, 2017: ₹ 10/- each fully paid)	27		
Computed on the basis of total profit for the year			
Basic (₹)		(2.09)	1.96
Diluted (₹)		(2.02)	1.96
Summary of Significant Accounting Policies	1-2		

The accompanying notes are an integral part of the financial statements. 3-44

As per our report of even date

For S Singhvi & Co.

Chartered Accountants

ICAI Firm Registration Number : 003872S

Shailendra Singhvi

Proprietor

Membership No. 023125/ICAI

Place: Hyderabad

Date: 26.05.2018

For and on behalf of the **Board of Directors**
Bhagiradha Chemicals & Industries Limited

D Ranga Raju

Chairman

DIN No. 00066546

B Murali

Chief Financial Officer

S Chandra Sekhar

Managing Director

DIN No. 00159543

B N Suvarchala

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Profit before tax	(57,522,590)	25,466,992
Cash flows from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	29,161,116	38,350,220
Amortisation of intangible assets	45,110	9,543
Loss of fixed assets due to fire - Exceptional Items (net)	19,557,252	-
Interest income and notional income	(3,540,431)	(3,624,560)
Interest expenses	61,089,160	57,988,202
Provision for Bad and doubtful trade receivables	-	1,058,500
Gratuity and compensated absences	7,535,454	4,140,970
Operating profit before working capital changes	56,325,071	123,389,867
Movement in working capital:		
Increase in other non current liabilities and provisions	-	-
Increase in other Financial liabilities and provisions	-	-
Increase / (decrease) in trade payables	(117,161,498)	170,623,056
Increase / (decrease) in other current liabilities and provisions	(39,757,931)	(9,509,744)
Increase / (decrease) in other current financial liabilities	47,154,342	25,625,960
(Increase)/decrease in inventories	94,847,629	(340,543,249)
(Increase) / decrease in trade receivables	(184,486,644)	105,989,898
(Increase) in Financial non current assets	(3,849,162)	(870,392)
(Increase) / decrease in Financial current assets	(88,074,771)	-
(Increase) / decrease in other current assets	(32,282,713)	2,139,842
Cash generated from operations	(267,285,677)	76,845,238
Income tax paid	(201,517)	442,601
Net cash flows from operating activities (A)	(267,487,194)	77,287,839
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(184,127,513)	(62,333,397)
Claim received towards loss of fixed assets due to fire - Exceptional item	51,780,000	-
Interest received	2,015,712	2,099,844
Net cash flows used in investing activities (B)	(130,331,801)	(60,233,553)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)**

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
NET CASH FLOWS (USED IN)/ FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (net of share issue expenses: ₹ 43.00 Lakhs (March 31, 2017: ₹ Nil))	491,640,000	-
Proceeds from issue of share warrants	23,349,000	-
Proceeds/(Repayment) of long - term borrowings	12,274,306	(43,935,123)
Proceeds/(Repayment) of short - term borrowings (net)	(43,241,828)	81,913,797
Interest paid	(58,630,895)	(55,425,719)
Net cash flows (used in)/from financing activities (C)	425,390,583	(17,447,045)
Net decrease in cash and cash equivalents (A+B+C)	27,571,588	(392,759)
Cash and cash equivalents at the beginning of the year	6,855,612	7,248,371
Cash and cash equivalents at the year end	34,427,200	6,855,612
Components of cash and cash equivalents:		
Cash on hand	93,746	887,740
Balances with banks		
On current accounts	30,541,784	1,236,731
On dividend accounts	232,112	232,112
On deposit accounts	3,559,558	4,499,028
Total cash and cash equivalents	34,427,200	6,855,612

The cash flow statement has been prepared under indirect method as set out in IND AS 7, 'Cash Flow Statement' as notified by the Central Government under the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S Singhvi & Co.

Chartered Accountants

ICAI Firm Registration Number : 003872S

Shailendra Singhvi

Proprietor

Membership No. 023125/ICAI

Place: Hyderabad

Date: 26.05.2018

For and on behalf of the **Board of Directors**
Bhagiradha Chemicals & Industries Limited

D Ranga Raju

Chairman

DIN No. 00066546

B Murali

Chief Financial Officer

S Chandra Sekhar

Managing Director

DIN No. 00159543

B N Suvarchala

Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

Particulars	No. of Shares	Amount (₹)
a. Equity Share Capital		
Equity Shares of ₹10 Each, Fully paid up		
As at April 01, 2016	5,053,700	50,782,500
Issued during the year	-	-
As at March 31, 2017	5,053,700	50,782,500
Issued during the year	2,740,000	27,400,000
As at March 31, 2018	7,793,700	78,182,500

b. Other Equity

Particulars	Reserves and surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Share Warrants	Retained Earnings	
As at April 01, 2016	-	-	90,273,859	-	320,475,225	410,749,084
Adjustments :						
Interest expenses on deferred sales tax loan	-	-	-	-	(2,329,530)	(2,329,530)
Grant Income amortised (Note)	-	-	-	-	1,524,716	1,524,716
Deferred tax reversal due to change in method	-	-	-	-	43,005,337	43,005,337
As at April 01, 2016	-	-	90,273,859	-	362,675,748	452,949,607
Profit for the year	-	-	-	-	9,885,834	9,885,834
Other Comprehensive Income (Refer note 26)	-	-	-	-	(1,753,748)	(1,753,748)
Total Comprehensive Income	-	-	90,273,859	-	370,807,834	461,081,693
At March 31, 2017	-	-	90,273,859	-	370,807,834	461,081,693
Profit for the year	-	-	-	-	(13,016,922)	(13,016,922)
On preferential issue	-	464,240,000	-	-	-	464,240,000
Issued during the year	-	-	-	23,349,000	-	23,349,000
Other Comprehensive Income (Refer note 26)	-	-	-	-	4,495,627	4,495,627
Total Comprehensive Income	-	464,240,000	90,273,859	23,349,000	362,286,539	940,149,398
As at March 31, 2018	-	464,240,000	90,273,859	23,349,000	362,286,539	940,149,398

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For S Singhvi & Co.
Chartered Accountants
ICAI Firm Registration Number : 003872S

Shailendra Singhvi
Proprietor
Membership No. 023125/ICAI

Place: Hyderabad
Date: 26.05.2018

For and on behalf of the **Board of Directors**
Bhagiradha Chemicals & Industries Limited

D Ranga Raju
Chairman
DIN No. 00066546

S Chandra Sekhar
Managing Director
DIN No. 00159543

B Murali
Chief Financial Officer

B N Suvarchala
Company Secretary



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTES : 1 OVERVIEW OF THE COMPANY

Bhagiradha Chemicals & Industries Limited was incorporated on 7th July, 1993 in Hyderabad (Telangana). It has got the manufacturing facility in Ongole District of Andhra Pradesh, and is engaged in manufacturing of Agro Chemicals.

NOTES : 2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in the financial statements.

2.1 Basis of preparation & compliance with IND AS

- a. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2018, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). With effect from April 01, 2017, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - 'First time adoption of Indian Accounting Standards'. Refer note 42 for information on how the Company has adopted Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in note 43.

b. Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the Company's functional currency.

c. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset)/ liability that are measured at fair value of plan assets less present value of defined benefit obligations.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle

Held primarily for the purpose of trading

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Use of estimates

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements are reviewed on an ongoing basis. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 are as follows:

i. Property, plant and equipment

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

ii. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

iii. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

f. Measurement of fair values

The accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).



If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

g. Revenue recognition

- i. Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- ii. Income from services rendered is recognized based on agreements with the customers using the proportionate completion method, when services are performed and no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering of service.
- iii. Export incentives are recognised when the right to receive credit as per the terms of incentives is established in respect of the exports made.
- iv. Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

h. Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

i. Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

iii. Minimum Alternate Tax (MAT)

MAT is recognised as an assets only when & to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the statement of profit & loss & is considered as (MAT credit entitlement). The company reviews the same at each Balance Sheet date & writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period. MAT credits are in the form of unused tax credits that are carried forward by the company for a specified period of time, hence, it is presented as Deferred Tax Assets.

i. Borrowing costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

j. Research and development costs

Research and development costs incurred (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. Property, plant and equipment and depreciation

- i. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and



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other incidental expenses directly related to acquisition/construction and installation of the assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

- ii. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii. Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.
- iv. The estimated useful life of assets are as follows:

Building	30 years
Plant and equipment	20-25 years
Plant and equipment - R & D	20-25 years
Electrical installations	10 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer and data processing equipment	3 years
Intangible assets	3 years

- v. Depreciation on fixed assets has been provided on straight line method on the basis of useful lives as prescribed in Schedule II of the Companies Act, 2013 on prorata basis, i.e. from the date on which asset is ready for use.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

- vi. Items of fixed assets that are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately under other current assets in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.
- vii. An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.
- viii. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

I. Impairment of Property, plant and equipments

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

m. Intangible assets

- i. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.



- ii. Product development cost recognises on initial product registration charges, analysis and other relevant costs and are stated as intangible assets less accumulated amortisation and impairment losses.
 - iii. Subsequent expenditure related to an item of intangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
 - iv. In respect of intangible assets amortised on straight line basis - Technical know-how @ 5.28% p.a., computer software over a period of useful life of 3 years and product development expenses are to be amortised over a period of their useful life of 4 years.
 - v. An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of fixed assets carried at cost are recognised in the Statement of Profit and Loss.
 - vi. The company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.
- n. Foreign currency transactions**
- i. Initial recognition-Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.
 - ii. Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.
- o. Inventories**
- i. Inventories are valued at lower of cost or net realizable value.
 - ii. Cost of finished goods, traded goods and work in progress is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location.
Cost of raw materials, packing materials and consumables is determined on weighted average basis.
 - iii. Goods-in transit are valued at cost which represents the cost incurred upto the stage at which the goods are in transit.
- p. Non-current assets held for sale**
- Non-current assets classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held-for-sale they are no longer amortised or depreciated.
- q. Employee benefits**
- i. Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.
 - ii. **Defined contribution plans**
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.
The company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services.



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Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of profit and loss, when the contribution to the Fund is due.

iii. Defined benefit plans

The company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit and compensated absences scheme is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on undiscounted basis, based on the balance of leave available over and above the maximum accumulation allowed as per the company's policy.

r. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

s. Provisions and contingencies

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

t. Cash and cash equivalents

Cash comprises of cash at bank and on hand and cash equivalents comprise of short-term bank deposits with an original maturity of three months or less.

u. Earnings per share

Basic EPS is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity share outstanding during the year.

For the purpose of calculating diluted EPS the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

v. Cash Flow Statement

Cash flows are reported using indirect method as set out in IND AS 7, "Statement of Cash Flows", whereby profit /(loss) before tax is adjusted for the effects of transactions of non cash nature and deferrals of 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.

w. Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of products/ activities of the company, the management has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



x. Financial Instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value, in case of financial asset which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

ii. Classification

Financial assets

On initial recognition, a financial asset is classified as measured at :

- amortised cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.



Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

iv. Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v. Impairment of financial assets

In accordance with Ind AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- ii. Trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value, in case of financial liability which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the issue of a financial liability.

ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are



subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

y. Standards issued but not yet effective

These financial statements, for the year ended 31 March 2018, are the first financial statements the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2016, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
NOTES : 3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipment	Electrical Installations	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total Property, plant and equipment
Gross carrying value									
As at April 01, 2016 (Cost or deemed cost)	7,601,317	155,577,375	766,666,850	92,695,238	2,425,453	3,716,635	2,653,682	6,316,249	1,037,652,799
Additions	-	2,984,006	53,330,003	5,499,338	44,900	47,000	285,700	-	62,190,947
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2017	7,601,317	158,561,381	819,996,853	98,194,576	2,470,353	3,763,635	2,939,382	6,316,249	1,099,843,746
Additions	-	2,473,967	166,515,712	10,121,631	221,621	146,474	252,307	-	179,731,713
Disposals/Deductions	-	-	85,450,788	14,261,867	-	-	-	-	99,712,654
As at March 31, 2018	7,601,317	161,035,348	901,061,777	94,054,341	2,691,974	3,910,109	3,191,689	6,316,249	1,179,862,804
Depreciation and Impairment									
As at April 1, 2016	-	34,580,372	281,944,220	46,154,717	2,239,897	2,897,243	1,812,611	4,656,779	374,285,839
Charge for the year	-	4,543,120	25,222,634	7,538,548	38,144	253,913	400,953	352,908	38,350,220
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	39,123,492	307,166,854	53,693,265	2,278,041	3,151,156	2,213,564	5,009,687	412,636,059
Charge for the year	-	3,623,136	18,055,785	6,539,855	51,059	165,315	373,057	352,909	29,161,116
Disposals/Deductions	-	-	24,476,493	3,898,909	-	-	-	-	28,375,402
As at March 31, 2018	-	42,746,628	300,746,146	56,334,211	2,329,100	3,316,471	2,586,621	5,362,596	413,421,773
Net carrying value									
As at April 01, 2016	7,601,317	155,577,375	766,666,850	92,695,238	2,425,453	3,716,635	2,653,682	6,316,249	663,366,960
As at March 31, 2017	7,601,317	119,437,889	512,829,999	44,501,311	192,312	612,479	725,818	1,306,562	687,207,687
As at March 31, 2018	7,601,317	118,288,720	600,315,631	37,720,130	362,874	593,638	605,068	953,653	766,441,031
3A CAPITAL WORK IN PROGRESS									
Particulars	Buildings	Plant and equipment	Preoperative Expenses	Total Capital Work in Progress					
As at April 01, 2016	-	-	-	-					
Additions	2,984,006	58,829,341	-	61,813,347					
Deductions/capitalised	2,984,006	58,829,341	-	61,813,347					
As at March 31, 2017	-	-	-	-					
Additions	34,325,868	155,458,147	4,678,624	194,462,639					
Deductions/capitalised	34,325,868	155,458,147	4,678,624	194,462,639					
As at March 31, 2018	-	-	-	-					



NOTES : 4 INTANGIBLE ASSETS

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Particulars	Computer Software purchased	Technical know how	Total Intangible Assets
Gross carrying value			
As at April 01, 2016 (Cost or deemed cost)	36,265	4,070,000	4,106,265
Additions	142,450	-	142,450
Disposals	-	-	-
As at March 31, 2017	178,715	4,070,000	4,248,715
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2018	178,715	4,070,000	4,248,715
Amortisation			
As at April 01, 2016	36,265	4,070,000	4,106,265
Charge for the year	9,543	-	9,543
Disposals	-	-	-
As at March 31, 2017	45,808	4,070,000	4,115,808
Charge for the year	45,110	-	45,110
Disposals	-	-	-
As at March 31, 2018	90,918	4,070,000	4,160,918
Net carrying value			
As at April 01, 2016	-	-	-
As at March 31, 2017	132,907	-	132,907
As at March 31, 2018	87,797	-	87,797

4A. INTANGIBLES UNDER DEVELOPMENT

₹

Particulars	Product registration	Total Intangible Assets
As at April 01, 2016	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2017	-	-
Additions	4,395,800	4,395,800
Disposals	-	-
As at March 31, 2018	4,395,800	4,395,800



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NOTES : 5 FINANCIAL ASSETS

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Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
A. Loans			
Non-Current (unsecured, considered good unless otherwise stated)			
Security Deposits	21,391,125	17,661,525	16,985,893
Total	21,391,125	17,661,525	16,985,893
B. Deposits and others			
Non Current (unsecured, considered good unless stated otherwise)			
Bank Deposits (note 10B)	6,616,484	7,225,729	7,314,064
Interest Accrued on Deposits	1,211,944	483,137	200,042
Total	7,828,428	7,708,866	7,514,106
C. Current (unsecured, considered good unless stated otherwise)			
Advances recoverable in cash	1,189,700	1,189,700	1,189,700
Insurance Claim receivable	86,602,633	-	-
Total	87,792,333	1,189,700	1,189,700

BREAKUP OF FINANCIAL ASSETS

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Valued at amortised cost			
Loans	21,391,125	17,661,525	16,985,893
Deposits and others	95,620,761	8,898,566	8,703,806
Trade Receivables	355,744,382	171,257,738	278,306,136
Cash & cash equivalents	34,427,200	6,855,611	7,248,371
Bank balances other than above	6,616,484	7,225,729	7,314,064
Total financial assets carried at amortised cost	513,799,952	211,899,169	318,558,270

NOTES : 6 OTHER ASSETS

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Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Non-Current (unsecured, considered good unless otherwise stated)			
Capital Advances	-	-	-
Total	-	-	-
Current (unsecured, considered good unless otherwise stated)			
Advances recoverable in cash or kind	11,162,019	8,877,015	12,442,387
Prepayments	6,447,355	1,267,487	1,563,887
Balances with Statutory/Government Authorities	78,564,883	56,625,290	47,343,064
Export and other incentives receivable	3,201,779	348,934	8,142,371
Others - Accrued Interest	1,084,821	1,059,417	826,276
Total	100,460,856	68,178,143	70,317,985



NOTES : 7 DEFERRED TAX ASSETS (NET)

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Deferred tax asset relating to			
MAT credit entitlement	25,011,819	25,011,819	25,011,819
Unused tax losses/ depreciation	117,876,935	86,778,412	92,530,573
Expenses allowable on payment basis	3,675,279	1,247,134	322,749
Relating to IND AS adjustments	866,250	866,250	-
(A)	147,430,283	113,903,615	117,865,141
Deferred tax liability relating to			
Accumulated depreciation for tax purposes	62,372,415	73,351,415	62,552,504
Relating to IND AS adjustments	2,220,580	-	-
(B)	64,592,994	73,351,415	62,552,504
Deferred tax assets (Net)	(A-B)	40,552,200	55,312,636

7.1 DEFERRED TAX ASSETS/ (LIABILITIES):

₹

a) For the year ended March 31, 2017:

Particulars	Opening Balance	Recognised in profit & loss	Recognised in other comprehensive income	Closing balance
Accelerated depreciation for tax purposes	(62,552,504)	(10,798,910)	-	(73,351,415)
MAT credit entitlement	25,011,819	-	-	25,011,819
Unused tax losses/ depreciation	92,530,573	(5,752,161)	-	86,778,412
Amounts allowable on Payment basis	322,749	924,385	-	1,247,134
Other items giving rise to temporary differences	-	-	866,250	866,250
	55,312,636	(15,626,686)	866,250	40,552,200

b) For the year ended March 31, 2018:

₹

Particulars	Opening Balance	Recognised in profit & loss	Recognised in other comprehensive income	Closing balance
Accelerated depreciation for tax purposes	(73,351,415)	10,979,000	-	(62,372,415)
Deferred revenue on embedded leases	-	-	-	-
MAT credit entitlement	25,011,819	-	-	25,011,819
Unused tax losses/ depreciation	86,778,412	31,098,523	-	117,876,935
Expenses allowable on payment basis	1,247,134	2,428,145	-	3,675,279
Other items giving rise to temporary differences	866,250	-	(2,220,580)	(1,354,330)
	40,552,200	44,505,668	(2,220,580)	82,837,288

7.2 Note on virtual certainty

The Company has accounted for deferred tax assets (net) of ₹ 8,28,37,288 (March 31, 2017: ₹ 4,05,52,200, April 01, 2016: ₹ 5,53,12,636) based on the past experience and future estimates. Management is of the opinion that there is a virtual certainty with convincing evidence that there would be sufficient future taxable income against which the carried forward business loss and unabsorbed depreciation can be set-off and hence management has recognised deferred tax assets in respect of carried forward business loss and unabsorbed depreciation and Mat credit entitlement.



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NOTES : 8 INVENTORIES

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
(At lower of cost and net realisable value)			
Raw Materials	325,431,582	442,402,768	175,945,602
Raw material in bonded ware house	10,686,764	3,124,429	5,594,500
Work-in-progress	80,512,784	104,536,884	96,683,200
Finished Goods	527,615,425	496,162,550	417,346,300
Packing materials	2,133,848	1,147,658	1,712,067
Coal & Fuel	11,786,931	6,188,541	16,685,354
Stores, spares & consumables	8,565,947	8,018,080	7,070,638
Total	966,733,281	1,061,580,910	721,037,661

NOTES : 9 TRADE RECEIVABLES

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Unsecured			
Considered good	355,744,382	171,257,738	278,306,136
Considered bad and doubtful	-	-	-
	355,744,382	171,257,738	278,306,136
Less: Allowance for bad and doubtful receivables	-	-	-
Total	355,744,382	171,257,738	278,306,136

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person nor from firms or private companies respectively in which any director is a partner, a director or a member.

NOTES : 10 CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
A) Cash & Cash Equivalents			
Balances with Banks			
- On Current Accounts	30,471,709	1,226,737	492,663
- On EEFC Account	70,075	9,994	14,513
- On Dividend Accounts	232,112	232,112	353,702
- Deposits with original maturity of less than three months	3,559,558	4,499,028	4,255,000
Cash on hand	93,746	887,740	2,132,493
	34,427,200	6,855,611	7,248,371
B) Bank balances other than above			
On Deposit Accounts			
- Remaining maturity for more than twelve months	6,616,484	7,225,729	7,314,064
- Deposits with original maturity for more than 3 months but less than 12 months	1,472,138	-	-
	8,088,622	7,225,729	7,314,064
Less : Amount disclosed under Other Assets (Note 5B)	(6,616,484)	(7,225,729)	(7,314,064)
On Margin Money Deposit Accounts	1,472,138	-	-
Total	1,472,138	-	-

**NOTES : 11 CURRENT TAX ASSETS (NET)**

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Income Tax Paid (Net of provision)	978,396	776,879	1,173,951
Total	978,396	776,879	1,173,951

NOTES : 12 EQUITY SHARE CAPITAL

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Authorised			
10,000,000 (March 31, 2017: 10,000,000, April 01, 2016 : 6,000,000) Equity shares of ₹ 10/- each	100,000,000	100,000,000	60,000,000
Total	100,000,000	100,000,000	60,000,000
Issued & Subscribed			
7,793,700 (March 31, 2017: 5,102,800, April 01, 2016 : 5,102,800) Equity share of ₹ 10/- each fully paid up	78,428,000	51,028,000	51,028,000
	78,428,000	51,028,000	51,028,000
Paid Up			
77,93,700 (March 31, 2017: 5,053,700, April 01, 2016 : 5,053,700) Equity share of ₹ 10/- each fully paid up	77,937,000	50,537,000	50,537,000
Add: Forfeited shares (amount originally paid up)	245,500	245,500	245,500
Total	78,182,500	50,782,500	50,782,500

12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As At 31.03.2018		As At 31.03.2017		As At 31.03.2016	
	No of Shares	Amount ₹	No of Shares	Amount ₹	No of Shares	Amount ₹
Equity Shares of ₹ 10 Each, Fully paid up						
Balance as per last financial statements	5,053,700	50,537,000	5,053,700	50,537,000	5,053,700	50,537,000
Issued during the year	2,740,000	27,400,000	-	-	-	-
Add: Forfeited shares (amount originally paid up)	-	245,500	-	245,500	-	245,500
Outstanding at the end of the year	7,793,700	78,182,500	5,053,700	50,782,500	5,053,700	50,782,500

12.2 Allotment of Shares

During the year the company has allotted 27,40,000 equity shares of ₹ 10/- each at a price of ₹ 181 on a preferential basis as on 27/10/2017. The purpose of allotment is to expand its operations and to meet the working capital and corporate requirements of the Company.

12.3 Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.



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12.4 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES OF THE COMPANY:

Particulars	As At 31.03.2018		As At 31.03.2017		As At 01.04.2016	
	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares
Equity Shares of ₹ 10/- each Held By						
S Chandra Sekhar **	14.85	1,157,300	0.46	23,200	0.46	23,200
S Ratna Kumari **	-	-	14.53	734,100	14.53	734,100
Nagarjuna Impex Limited	6.55	510,300	10.10	510,300	10.10	510,300
Royal Touch Multitrade Pvt Ltd.	5.09	396,600	7.85	396,600	7.85	396,600
R Venkata Narayana	7.70	600,000	-	-	-	-
Mukul Mahavir Agarwal	6.42	500,000	-	-	-	-
Siddharth Iyer	5.13	400,000	-	-	-	-
Rajesh Nuwal - HUF	6.42	500,000	-	-	-	-

** During the year the 7,34,100 equity shares held by Smt. R Ratna Kumari were inherited by shri. S Chadra Sekhar.

NOTES : 13 OTHER EQUITY

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Securities Premium (refer note 13.1)			
Balance as per last financial statements	-	-	-
Add : Received on shares issued during the year	464,240,000	-	-
Less : Utilised during the year	-	-	-
Closing balance	464,240,000	-	-
General Reserve			
Balance as per last financial statements	90,273,859	90,273,859	90,273,859
Add: Additions during the year	-	-	-
Less : Utilised during the year	-	-	-
Closing balance	90,273,859	90,273,859	90,273,859
Share Warrants (refer note 13.2)			
Amount received on issue of share warrants	23,349,000	-	-
Surplus in the Statement of profit and loss			
Balance as per last financial statements	370,807,834	362,675,748	320,475,225
Add : Profit for the year	(13,016,922)	9,885,834	-
Add : Deferred tax reversal due to change in method	-	-	43,005,337
Add : Grant Income	-	-	1,524,716
Add : Interest Expenses	-	-	(2,329,530)
Add : Other comprehensive income for the period	4,495,627	(1,753,748)	-
Net surplus in the Statement of profit and loss	362,286,539	370,807,834	362,675,748
Total Reserves and Surplus	940,149,398	461,081,693	452,949,607

13.1 Securities premium reserve

Securities premium is on account of issue of shares on preferential basis during the year. Amount disclosed above is net of issue expenses.

13.2 Share Warrants

During the year, the company in accordance with shareholders approval dated 16/10/2017 has issued 5,16,000 share warrants convertible into equity shares to the promoter and promoter group on preferential basis at a price of ₹ 181/- Per warrant and received a sum of ₹ 2,33,49,000/- i.e. 25% of the issue price that can be converted into equity shares of ₹ 10/- each at a premium of ₹ 171/- within 18 months from the date of allotment.



NOTES : 14 FINANCIAL LIABILITIES

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
A) Non Current borrowings			
Term Loans			
Indian Rupee loans from Bank of India (Secured)	105,200,821	88,234,627	128,565,080
Other Loans			
Sales tax deferment (Unsecured)	12,601,392	14,433,226	17,328,276
Total	117,802,213	102,667,853	145,893,356
Current Maturities of Non Current borrowings			
Term Loans			
Indian Rupee loans from Bank of India (Secured)	58,470,957	40,000,000	35,000,000
Other Loans			
Sales tax deferment (Unsecured)	9,747,629	10,149,421	8,296,558
	68,218,586	50,149,421	43,296,558
Less: Amount disclosed under the head "other current financial liabilities" (Note 14E)	(68,218,586)	(50,149,421)	(43,296,558)
Total	-	-	-
B) Current borrowings			
Cash Credits and Working Capital Demand Loans			
Indian Rupee loans from Banks - Secured			
Working facilities from Axis Bank Limited	92,506,729	115,827,943	145,066,908
Working facilities from State Bank of India - 1	169,669,119	113,749,528	127,703,926
Working facilities from State Bank of India - 2	25,206,009	-	-
State Bank of India - Buyers Credit	-	11,061,724	-
Axis Bank Limited - Buyers Credit	-	77,531,566	41,626,219
Indian Rupee loans from Banks - Un-secured			
Bills Discounting - State Bank of India	1,911,600	27,185,187	78,501,311
Bills Discounting - Axis Bank Limited	-	-	12,310,749
Bills Discounting - Citi Bank	5,215,600	-	-
Axis Bank Purchase PGSI Card	5,051,317	5,089,125	5,088,738
Others - Unsecured			
Bills Discounting - SBI Global Factors	28,951,634	-	-
Loans from intercorporates	85,139,466	74,510,904	-
Loans from Directors	11,847,388	62,255,670	-
Total	425,498,862	487,211,647	410,297,850



Bhagiradha Chemicals & Industries Limited

(a) The details of Indian rupee term loans from banks are as under:

Bank of India	Outstanding As on 31.03.2018	Outstanding As on 31.03.2017	Outstanding As on 01.04.2016	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate
Term Loan I	29,095,957	48,963,974	69,537,505	100,000,000	20 Structured Stepped up quarterly instalments - First 4 - 0.25 cr each - Next 12 - 0.50 cr each - Last 4 - 0.75 cr each	June 2014	MCLR Plus 2.70% p.a. (March 31, 2017: MCLR rate plus 4.15% p.a., April 01, 2016 : Base rate plus 3.80 % p.a.)
Term Loan II	59,681,891	79,270,653	94,027,575	100,000,000	20 Structured Stepped up quarterly instalments - First 4 - 0.25 cr each - Next 12 - 0.50 cr each - Last 4 - 0.75 cr each	December 2015	MCLR Plus 2.70% p.a. (March 31, 2017: MCLR rate plus 4.15% p.a., April 01, 2016 : Base rate plus 3.80 % p.a.)
Term Loan III	74,893,930	-	-	75,000,000	16 quarterly instalments ₹ 0.4687 cr each.	October 2018	MCLR Plus 2.70% p.a.

(b) Terms of repayment of Term Loans :

Particulars	Rate of Interest %	Balance as on 31.03.2018	Rate of Interest %	Balance as on 31.03.2017	Rate of Interest %	Balance as on 01.04.2016
Loan Repayable on Demand - Secured						
- From Banks						
Working facilities from Axis Bank Limited	12.00%	92,506,729	13.80%	-	12.75%	-
Working facilities from State Bank of India - 1	11.00%	169,669,119	11.70%	-	12.75%	-
Working facilities from State Bank of India - 2	9.70%	25,206,009				
State Bank of India - Buyers Credit	-	-	1.38%	11,061,724	-	-
Axis Bank Limited - Buyers Credit	-	-	1.15% to 1.92%	77,531,566	1.21% to 1.37%	41,626,219
Loan Repayable on Demand - Un Secured						
State Bank of India - Bill Discounting	7.80%	1,911,600	7.90%	27,185,187	8.00%	78,501,311
Axis Bank Limited - Bill Discounting	-	-	-	-	10.15%	12,310,749
Bills Discounting - SBI Global Factors	12.75%	28,951,634	-	-	-	-
Bills Discounting - Citi Bank	11.50%	5,215,600	-	-	-	-
Axis Bank Limited - PGSI Purchase Card	18.60%	5,051,317	18.60%	5,088,738	-	-
Un Secured Loans From Related Parties						
From Directors						
S Chandra Sekhar	10.00%	11,847,388	10.00%	62,255,670	-	-
From Others						
Greenpath Energy Pvt Ltd	10.00%	85,139,466	10.00%	74,510,904	-	-



₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Loans Guaranteed by Directors			
Term Loans - Non Current			
Indian Rupee loans from Bank of India (Secured)	105,200,821	88,234,627	128,565,080
	105,200,821	88,234,627	128,565,080
Loan Repayable on Demand - Secured			
- From Banks			
Working facilities from Axis Bank Limited	92,506,729	115,827,943	145,066,908
Working facilities from State Bank of India - 1	169,669,119	113,749,528	127,703,926
Working facilities from State Bank of India - 2	25,206,009	-	-
State Bank of India - Buyers Credit	-	11,061,724	-
Axis Bank Limited - Buyers Credit	-	77,531,566	41,626,219
	287,381,857	318,170,761	314,397,053
Total	392,582,678	406,405,388	442,962,133

c) **Tem Loans** : All Term loans are secured by exclusive first charge on fixed assets created out of the term loans extended by the term lender, Bank Of India and second charge on the remaining fixed assets of the company (both present & future) by way of hypothecation of movable fixed assets and equitable mortgage of immovable fixed assets of the company and personal guarantee of Sri S Chandra Sekhar, Managing Director of the company & Smt. S Lalitha Sree, Director of the company.

d) **Working Capital Facilities** : Working capital facilities extended by State Bank of India and Axis Bank Ltd are secured as mentioned below.

i) Primary Security:

Pari Passu first charge on current assets of the company is available to State Bank Of India & Axis Bank Ltd.

ii) Collateral Security :

Pari Passu first charge on movable fixed assets of the company (both present & future) except vehicles and assets created out of term loans from Bank Of India and equitable mortgage of the company's factory land to the extent of 33.11 acres situated at Cheruvukommupalem, Ongole and Equitable mortgage on the company's agricultural land to the extent of 6.52 acres situated at Cheruvukommupalem, Ongole besides personal Guarantee of Shri. S Chandra Sekhar, Managing Director and Smt. S Lalitha Sree Director of the company.

Pari Passu second charge by way of hypothecation on the movable fixed assets of the company financed by Bank of India.

(e) **Sales Tax deferment Loan**

Government of Andhra Pradesh vide letter No.20/2/6/1369/ID dated 08-10-1996 and letter No.30/1/2002/0300/0300/FD dated 10-04-2002 had sanctioned sales tax deferment for an amount of ₹ 9,18,54,000/- and ₹ 5,14,50,510/- respectively for a period of 14 years to the company in respect of chlorpyriphos plant. The sanction of ₹ 9,18,54,000/- under letter No.20/2/6/1369/ID dated 08-10-1996 has expired its utilization on 28th February, 2010 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 ₹ 2,23,80,071/- utilised till 2002-03.

C) Other Financial Liabilities

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Other Non Current Liabilities			
Deferred income on government grants	18,296,586	19,821,302	21,346,018
Total	18,296,586	19,821,302	21,346,018

D) Trade Payables

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
- Outstanding dues to creditors other than micro enterprises and small enterprises	651,076,018	770,498,046	596,656,644
- Outstanding dues to micro enterprises and small enterprises	4,254,195	760,925	5,212,011
- Outstanding dues to related parties (Note 38)	-	1,232,740	-
Total	655,330,213	772,491,711	601,868,655



Bhagiradha Chemicals & Industries Limited

i) Trade Payables (Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006):

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	4,254,195	760,925	5,212,011
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
Total	4,254,195	760,925	5,212,011

ii) The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 has been made in the standalone financial statements based on information received and available with the Company.

E) Current maturities and other liabilities

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Valued at amortised cost			
Current maturities of non current borrowings from Bank - Secured (Note 14 A)	58,470,957	40,000,000	35,000,000
Current maturities of non current borrowings Others - Unsecured (Note 14 A)	9,747,629	10,149,421	8,296,558
Capital Creditors	105,249,237	62,283,783	34,021,148
Deferred income on government grant	1,524,716	1,524,716	1,524,716
Unpaid Dividends **	232,112	232,112	353,702
Other Payables - Expenses	8,501,051	4,312,163	6,827,248
Total	183,725,702	118,502,195	86,023,372

** Unpaid Dividends will be credited to investors education and protection fund as and when due.

Breakup of financial liabilities carried at amortised cost

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Valued at amortised cost			
Non current borrowings	117,802,213	102,667,853	145,893,356
Current maturities of non current borrowings	68,218,586	50,149,421	43,296,558
Current borrowings	425,498,862	487,211,647	410,297,850
Interest accrued	1,524,716	1,524,716	1,524,716
Trade Payables	655,330,213	772,491,711	601,868,655
Capital Creditors and others	105,249,237	62,283,783	34,021,148
Total financial liabilities carried at amortised cost	1,373,623,828	1,476,329,131	1,236,902,283



NOTES : 15 PROVISIONS

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Non-Current Provisions			
Provision for Gratuity (note 28)	428,014	3,340,954	139,402
Provision for Compensated absences	8,457,259	4,725,072	1,165,656
Total	8,885,273	8,066,026	1,305,058

NOTES : 16 OTHER CURRENT LIABILITIES

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Advances from customers	-	39,025,000	49,687,500
Statutory dues	2,719,308	3,452,239	2,299,483
Total	2,719,308	42,477,239	51,986,983

NOTES : 17 REVENUE FROM OPERATIONS (GROSS)

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Sale of Products (including excise duty)		
Income from Sale of Goods		
Domestic Sales	1,292,383,820	868,558,350
Export Sales	559,522,639	1,290,590,655
(A)	1,851,906,459	2,159,149,005
Sale of Services		
Jobwork services	-	1,080,000
(B)	-	1,080,000
Other Operating Revenue		
Export and other incentives *	15,354,293	27,629,135
(C)	15,354,293	27,629,135
Revenue from Operations (Gross) (A+B+C)	1,867,260,752	2,187,858,140

* Export and other incentives have been recognized on the following:

- a) Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme under Foreign Trade Policy of India

NOTES : 18 OTHER INCOME

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Interest Income on		
Deposits and Margin money held	2,015,715	2,099,844
Gain on foreign currency transactions & translations	3,683,641	15,484,400
Government Grant amortised	1,524,716	1,524,716
Miscellaneous Income	458,992	692,468
Total	7,683,064	19,801,428



Bhagiradha Chemicals & Industries Limited

NOTES : 19 COST OF MATERIALS CONSUMED

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Raw Materials and Packing Material Consumed		
Opening stock at the beginning of the year	442,402,768	175,945,602
Add : Purchases	1,243,699,801	1,729,257,108
	1,686,102,569	1,905,202,710
Less : Closing stock at the end of the year	325,431,582	442,402,768
	1,360,670,987	1,462,799,942
Packing Materials Consumed (A)	23,066,715	23,909,274
Total (A+B)	1,383,737,702	1,486,709,216

Details of Materials Consumed

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Agro chemicals and other related raw materials	1,360,670,987	1,462,799,942
Packing Materials Consumed	23,066,715	23,909,274
Total	1,383,737,702	1,486,709,216

Details of Closing Inventory of Raw Material

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Agro chemicals and other related raw materials	325,431,582	442,402,768
Packing Materials	2,133,848	1,147,658
Total	327,565,430	443,550,426

NOTES : 20 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Opening stock of inventories		
Finished goods	496,162,550	417,346,300
Work-in-Progress	104,536,884	96,683,200
	600,699,434	514,029,500
Closing stock of inventories		
Finished goods	527,615,425	496,162,550
Work-in-Progress	78,949,784	104,536,884
Work-in-Progress (loss due to fire)	99,540,186	-
	706,105,395	600,699,434
Increase in inventories of finished goods and work-in-progress	(105,405,961)	(86,669,934)
Increase in Finished goods	(31,452,875)	(78,816,250)
Decrease/(Increase) in Work-in-Progress	24,024,100	(7,853,684)
Increase in inventories of finished goods and work-in-progress	(7,428,775)	(86,669,934)
Transferred to Exceptional Item - Loss in fire (refer note 24)	97,977,186	-

**NOTES : 21 EMPLOYEE BENEFITS EXPENSES**

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Salaries, Wages and Bonuses	84,509,840	91,941,918
Contribution to provident fund and other funds	8,223,873	8,659,998
Gratuity expense (Note 28)	3,119,585	2,153,325
Compensated absences	4,415,869	2,543,342
Managerial remuneration	3,600,000	3,600,000
Ex- Gratia	758,240	-
Staff welfare expenses	11,305,437	8,389,089
Total	115,932,844	117,287,672

NOTES : 22 FINANCE COST

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Interest		
- on Term loans	14,839,050	21,137,400
- on working capital loans	22,988,894	26,690,664
- on others	20,802,951	7,597,655
	58,630,895	55,425,719
Interest on financial liabilities recognised on amortised cost	2,458,265	2,562,483
Bank & processing charges	5,143,638	6,524,204
Cash discount	2,948,130	4,914,688
Total	69,180,928	69,427,094

NOTES : 23 OTHER EXPENSES

₹

Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Other Manufacturing expenses		
Consumption of stores, spares & consumables	22,874,029	28,985,760
Power and Fuel	169,370,210	213,799,623
Insurance	2,697,095	2,794,500
Effluent treatment expenses	41,132,169	54,165,885
Freight Inwards	1,099,119	516,031
Water Transport Charges	2,100,600	-
Factory maintenance	7,661,192	12,727,875
Repairs & maintenance		
Plant and machinery	8,362,894	8,123,902
Buildings	27,378,731	4,005,759
Others	609,737	1,912,646
Testing and Lab charges	594,997	131,463
Administration, selling & other expenses		
Rent	1,613,200	1,692,920
Rates and taxes	592,289	944,322
Research & Development expenses	8,001,633	8,901,641
Printing and stationery	877,706	666,477
Consultancy and other professional charges	3,557,896	4,161,369



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Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
Remuneration to auditors		
-Audit Fee	600,000	600,000
-Tax audit fee	50,000	50,000
-Other services	25,000	57,500
-Out of pocket expenses	25,000	25,000
Remuneration to cost auditors	75,000	75,000
Remuneration to Internal Auditors	200,000	200,000
Travelling and conveyance	2,685,286	3,517,546
Communication expenses	1,254,837	1,177,694
Vehicle Maintenance	3,352,187	3,019,343
Other selling expenses	11,458,191	27,921,210
Miscellaneous expenses	4,684,209	16,974,011
Total	322,933,206	397,147,476

NOTES : 24 EXCEPTIONAL ITEM - INSURANCE CLAIM

During the course of operations a fire accident occurred in the Block-III at the factory premises of the company on 20-05-2017, which caused an extensive damage to the Civil structures, Plant & Equipment, Electrical Installations and stocks. The company has made an assessment of loss and lodged a claim of ₹ 1693.14 Lakhs with the insurance company towards damage suffered. Insurance company has assessed the loss and released an adhoc payment of ₹ 866.03 Lakhs, pending final settlement.

The company has impaired/derecognised the plant, electrical equipments and stocks of ₹ 1693.14 lakhs as per Ind AS 16, ("Property, Plant and Equipment") Ind AS 36 ("Impairment of Assets") and disclosed the loss net of insurance claim received as an exceptional item in the statement of profit and loss. The company has incurred ₹ 258.02 lakhs towards re-instatement of factory building and the same is charged to current repairs.

The company has also lodged the claim towards loss of profit and pending with the insurance company.

NOTES : 25 TAXES

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2018 and for the year ended March 31, 2017 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	-	-
Adjustment of tax relating to earlier years	-	(45,528)
Deferred tax charge/ (credit)	(44,505,668)	15,626,686
Adjustment of deferred tax relating to earlier years	-	-
Total income tax expense recognised in statement of Profit & Loss	(44,505,668)	15,581,158

(ii) OCI Section

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net loss on remeasurement of defined benefit plans	6,716,207	(2,619,998)
Income tax charged to OCI	(2,220,580)	866,250

**(b) Reconciliation of effective tax rate:**

₹

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit Before Tax (A)	(57,522,590)	25,466,992
Enacted tax rate in India (B)	33.06%	33.06%
Expected tax expenses (C = A*B)	(19,018,694)	8,420,152
Permanent Difference		
Weighted deduction under section 35(2AB) under the Income Tax Act, 1961	(12,993,147)	(8,901,641)
Expenses disallowed under Income Tax Act, 1961	29,654,463	32,456,077
Adjustment for taxes with respect to earlier years	-	-
Others	(93,747,406)	(1,895,766)
Total	(77,086,090)	21,658,670
Profit after adjusting permanent difference	(134,608,680)	47,125,662
Expected tax expense	(44,505,668)	15,581,158
Total Tax expense	(44,505,668)	15,581,158

NOTES : 26 OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

₹

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Retained Earnings:		
Remeasurement costs on net defined benefit liability	6,716,207	(2,619,998)
Deferred tax effect on remeasurement costs on net defined benefit liability	(2,220,580)	866,250
Total	4,495,627	(1,753,748)

NOTES : 27 EARNINGS PER SHARE (EPS)

₹

Particulars	As At 31.03.2018	As At 31.03.2017
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit for the year attributable to shareholders	(13,016,922)	9,885,834
Less: Preference dividend and tax thereon	-	-
Profit available for equity shareholders	(13,016,922)	9,885,834
Weighted average number of equity shares in computing basic EPS *	6,217,262	5,053,700
Add: Effect of dilution *		
Share Warrants	226,192	-
Stock options granted under ESOP	-	-
Weighted Average number of Equity Shares in computing diluted earnings per share *	6,443,453	5,053,700
Face value of each equity share (₹)	10	10
Earnings per share		
- Basic (₹)	-2.09	1.96
- Diluted (₹)	-2.02	1.96



NOTES : 28 EMPLOYEE BENEFITS

28.1 Gratuity

Defined Benefit Plans

The Company has a defined benefit gratuity plan governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The scheme is funded through a policy with Life Insurance Corporation of India. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

Particulars	₹		
	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
A) Net employee benefit expense (recognised in Employee benefits expenses)			
Current service cost	1,579,716	871,553	1,846,090
Interest cost	1,539,869	1,345,292	1,313,003
Expected return on plan assets	-	1,464,419	-
Net actuarial(gain) / loss recognised in the period/ year	(6,032,525)	(2,187,499)	(1,609,702)
Benefits paid	-	(347,595)	(1,145,768)
Net employee benefit expenses	(2,912,940)	1,146,170	403,623
Actual return on plan asset	-	(1,464,419)	(1,409,989)
B) Amount recognised in the Balance Sheet			
Defined benefit obligation	15,497,475	17,962,325	16,816,155
Fair value of plan assets	18,104,452	19,067,868	17,878,225
	(2,606,977)	(1,105,543)	(1,062,070)
C) Changes in the present value of the defined benefit obligation			
Opening defined benefit obligation	20,086,304	16,816,155	16,412,532
Current service cost	1,579,716	871,553	1,846,090
Interest cost	1,539,869	1,345,292	1,313,003
Benefits paid	(1,675,889)	(347,595)	(1,145,768)
Transfer on account of slump sale	-	-	-
Net Actuarial (gains) / losses on obligation for the year recognised under OCI	(6,032,525)	(723,080)	(1,609,702)
Closing defined benefit obligation	15,497,475	17,962,325	16,816,155
D) Change in the fair value of plan assets			
Opening fair value of plan assets	19,727,428	17,878,225	16,606,501
Expected return on plan assets	-	1,464,419	1,409,989
Contributions	-	72,819	1,007,503
Benefits paid	(1,675,889)	(347,595)	(1,145,768)
Actuarial gain/(loss) on plan assets	52,913	-	-
Closing fair value of plan assets	18,104,452	19,067,868	17,878,225
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:			
Investments with Life Insurance Corporation of India	100.00%	100.00%	100.00%
E) Remeasurement adjustments:			
Experience loss/ (gain) on plan liabilities	(6,032,525)	-	-
Experience loss/ (gain) on plan assets	-	-	-
Demographic loss/ (gain) on plan assets	-	-	-
Remeasurement gains/(losses) recognised in other comprehensive income:	(6,032,525)	-	-



(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Discount rate	8.00%	8.00%	8.00%
Expected rate of return on assets	0.00%	0.00%	0.00%
Salary rise	4.00%	4.00%	4.00%
Attrition Rate	3.00%	3.00%	3.00%

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

(ii) The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

Amounts for the current and previous four periods are as follows:

Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015
Defined benefit obligation	15,497,475	17,962,325	16,816,155	16,412,532
Plan assets	18,104,452	19,067,868	17,878,225	16,606,501
Surplus / (deficit)	(2,606,977)	(1,105,543)	(1,062,070)	(193,969)

NOTES : 28.2 Leave Encashment

Defined Benefit Plans

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
A) Net employee benefit expense (recognised in Employee benefits expenses)			
Current service cost	3,683,130	757,916	324,008
Interest cost	732,739	566,327	450,325
Expected return on plan assets	-	-	-
Net actuarial (gain) / loss recognised in the period/ year	(683,682)	1,219,099	1,256,503
Benefits paid	(926,399)	-	(580,811)
Net employee benefit expenses	2,805,788	2,543,342	1,450,025
Actual return on plan asset	-	-	(865,180)
B) Amount recognised in the Balance Sheet			
Defined benefit obligation	12,428,222	9,622,434	16,816,155
Fair value of plan assets	(926,399)	10,966,785	17,878,225
	13,354,621	(1,344,351)	(1,062,070)
C) Changes in the present value of the defined benefit obligation			
Opening defined benefit obligation	9,622,434	7,079,092	5,629,067
Current service cost	3,683,130	757,916	324,008
Interest cost	732,739	566,327	450,325
Benefits paid	(926,399)	-	(580,811)
Transfer on account of slump sale	-	-	-
Net Actuarial (gains) / losses on obligation for the year recognised under OCI	(683,682)	1,219,099	1,256,503
Closing defined benefit obligation	12,428,222	9,622,434	7,079,092



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Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
D) Change in the fair value of plan assets	-	-	-
Opening fair value of plan assets	-	10,966,785	10,368,709
Expected return on plan assets	-	-	865,180
Contributions	-	-	313,707
Benefits paid	(926,399)	-	(580,811)
Actuarial gain/(loss) on plan assets	-	-	-
Closing fair value of plan assets	(926,399)	10,966,785	10,966,785
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:			
Investments with Life Insurance Corporation of India	100.00%	100.00%	100.00%
E) Remeasurement adjustments:			
Experience loss/ (gain) on plan liabilities	(683,682)	-	-
Experience loss/ (gain) on plan assets	-	-	-
Demographic loss/ (gain) on plan assets	-	-	-
Remeasurement gains/(losses) recognised in other comprehensive income:	(683,682)	-	-

(i) The principal assumptions used in determining Leve Encashment for the Company's plans are shown below:

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Discount rate	8.00%	8.00%	8.00%
Expected rate of return on assets	0.00%	0.00%	0.00%
Salary rise	4.00%	4.00%	4.00%
Attrition Rate	3.00%	3.00%	3.00%

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

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(ii) **Defined Contribution Plan**

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Contribution to Provident Fund	6,491,783	7,127,137	6,315,819
Contribution to Superannuation Fund	-	-	-

NOTES : 29. COMMITMENTS AND CONTINGENCIES

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
a. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	8,617,914	-	-
Other commitments	-	-	-
Total	8,617,914	-	-
b. Contingent Liabilities			
(i) Outstanding bank guarantees (excluding performance obligations)	-	500,000	1,200,000
(ii) Letters of Credit	8,507,564	35,173,323	28,854,911
(iii) Demand for direct taxes under appeal **	7,150,479	-	-
Total	15,658,043	35,673,323	30,054,911

** Pertains to income tax demand/ matters on account of deductions/ disallowances for earlier years, pending appeals filed consequent to order passed against the Company/ demands raised by the Department under Income Tax Act, 1961.



NOTES : 30 There are no separate reportable segments as per Indian Accounting Standard (Ind AS) 108 on Operating segments, as the entire operations of the company relates to one segment viz. agro-chemicals.

NOTES : 31 Imported and Indigenous Raw Materials, Packing Materials and stores and spares consumed

Particulars	As At 31.03.2018		As At 31.03.2017	
	% of Total consumption	Amount ₹	% of Total consumption	Amount ₹
Raw Materials				
Imported	31.10	423,178,252	47.11	689,117,730
Indigenous	68.90	937,492,735	52.89	773,682,213
	100.00	1,360,670,987	100.00	1,462,799,943
Packing Material				
Imported	-	-	-	-
Indigenous	100.00	23,066,715	100.00	23,909,274
	100.00	23,066,715	100.00	23,909,274
Stores and spares				
Imported	-	-	-	-
Indigenous	100.00	22,874,029	100.00	28,985,760
	100.00	22,874,029	100.00	28,985,760

NOTES : 32 Payments to auditors (excluding GST & Service Tax)

Particulars	₹	
	2017-18	2016-17
A) Statutory auditors		
Statutory audit	600,000	600,000
Tax audit fees	50,000	50,000
Others	25,000	57,500
Reimbursement of expenses	25,000	25,000
	700,000	732,500
B) Cost auditors		
Audit fee	75,000	75,000
Filing fee	3,000	-
Reimbursement of expenses	1,500	1,500
	79,500	76,500

NOTES : 33 CIF Value of Imports

Particulars	₹	
	2017-18	2016-17
Raw Materials	237,881,284	885,797,710
Capital Goods	4,817,464	-
	242,698,748	885,797,710

NOTES : 34 Expenditure in Foreign Currency (Accrual Basis)

Particulars	₹	
	2017-18	2016-17
Commission on export sales	73,522	459,294
Interest	950,851	778,473
Travelling Expenses	-	598,025
R & D - Import of material	738,329	15,037
	1,762,702	1,850,829

NOTES : 35 Earnings In Foreign Exchange

Particulars	₹	
	2017-18	2016-17
FOB value of Exports	545,709,040	1,164,546,887
	545,709,040	1,164,546,887



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NOTES : 36 Research and development

₹

Particulars	2017-18	2016-17
Details of expenditure on R & D		
i) Details of Revenue expenditure		
Cost of Materials Consumed		
Laboratory Expenses and Consumables	4,904,346	5,630,390
Employee Benefits Expenses		
Salaries, Wages and Bonuses	2,679,317	3,118,682
Other Expenses		
Repair and Maintenance	417,970	27,555
Other Expenses	-	125,014
ii) Capital Expenditure		
Plant & Machinery	5,994,886	-
Building related material	499,108	-
Total	14,495,627	8,901,641

This information also complies with the terms of the recognition granted upto 31 March 2020 to the Company's In-House Research and Development Activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their letter No. TU/IV-RD/2515/2017 dated 29th May 2017

NOTES : 37 Government Grant (Ind AS 20)

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. Using prevailing market interest rate of 10% p.a. for an equivalent loan as on 01-04-2016 (date of transition to Ind AS) 2,32,95,304/-. The difference amount of ₹ 2,43,95,450/- between the closing value as on 01-04-2016 of ₹ 4,76,90,754/- and 2,32,95,450/- (fair value of loan as on 01-04-2016) is classified as Government Grant which will be recognised in the statement of profit and loss over the remaining period of loan. Accordingly, an amount of ₹ 15,24,716/- is recognised in the Statement of Profit and Loss.

NOTES : 38 Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
---------------------------	--------------

Enterprises under the significant influence of persons having significant influence over this company

Nagarjuna Agrichem Limited

Enterprises under the control of persons having significant influence over this company

Greenpath Energy Private Limited

Key Management Personnel

S Chandra Sekhar	Managing Director
D Ranga Raju	Chairman
K S Raju	Director
Sudhakar Kudva	Independent Director
D Sada Sivudu	Independent Director
B Lalitha Sree	Director
B Murali	Chief Financial Officer
A Arvind Kumar	Chief Operating Officer
B N Suvarchala	Company Secretary

Note: Related party relationships have been identified by the management and relied upon by the auditors.



Transactions during the year:

₹

Particulars	2017-18	2016-17
a) Enterprises under the significant influence of persons having significant influence over this company		
Nagarjuna Agrichem Limited		
Sales of Finished Goods (net of duties and taxes)	85,280,500	39,864,009
Purchase of Raw material	-	3,132,740
b) Enterprises under the Control of persons having significant influence over this company		
Greenpath Energy Private Limited		
Loans taken during the year	11,000,000	74,000,000
Loans repaid during the year	7,900,000	-
Interest on Loans	8,365,068	567,671
c) Key Management Personnel		
i) S Chandra Sekhar		
Remuneration	3,859,200	3,859,200
Unsecured loans taken	106,800,000	76,600,000
Unsecured loans Repaid	163,000,000	15,000,000
Interest on Unsecured loans	6,435,243	728,522
ii) D Ranga Raju		
Sitting Fees	100,000	90,000
iii) K S Raju		
Sitting Fees	10,000	20,000
iv) Sudhakar Kudva		
Sitting Fees	120,000	90,000
v) D Sadasivudu		
Sitting Fee	70,000	40,000
vi) S Lalitha Sree		
Sitting Fee	40,000	30,000
vii) B Murali		
Remmuneration	3,096,665	3,096,665
viii) A Arvind Kumar		
Remmuneration	2,692,752	2,692,752
vii) B N Suvarchala		
Remmuneration	534,352	443,013



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Closing Balances		₹	
Particulars	2017-18	2016-17	
a) Enterprises under the Control of persons having significant influence over this company			
Greenpath Energy Private Limited			
Unsecured loans payable	85,139,466	74,510,904	
b) Key Management Personnel			
S Chandra Sekhar			
Unsecured loans payable	11,847,388	62,255,670	
Remuneration payable	264,467	244,176	
Guarantee given for borrowings	392,582,678	406,405,388	

NOTES : 39 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value			Fair value		
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
Financial assets at fair value through profit & loss:						
Investments	-	-	-	-	-	-
Financial assets at amortised cost:						
Loans	21,391,125	17,661,525	16,985,893	-	-	-
Deposits and others	95,620,761	8,898,566	8,703,806	-	-	-
Trade receivables	355,744,382	171,257,738	278,306,136	-	-	-
Cash & cash equivalents	34,427,200	6,855,611	7,248,371	-	-	-
Bank balances other than above	1,472,138	-	-	-	-	-
Financial liabilities at amortised cost:						
Borrowings (Non-current and Current)	611,519,661	640,028,921	599,487,764	22,349,021	24,582,647	25,624,834
Interest accrued	1,524,716	1,524,716	1,524,716	-	-	-
Trade Payables	655,330,213	772,491,711	601,868,655	-	-	-
Capital Creditors and others	105,249,237	62,283,783	34,021,148	-	-	-
Financial liabilities at fair value through profit & loss						
Derivative contracts	-	-	-	-	-	-

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.


NOTES : 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

₹

Particulars	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2018:					
Non current borrowings (including current maturities)	68,218,586	82,968,327	33,243,029	18,912,927	203,342,869
Current borrowings	425,498,862	-	-	-	425,498,862
Interest payable	1,524,716	-	-	-	1,524,716
Trade Payables	655,330,213	-	-	-	655,330,213
Other Payables	105,249,237	-	-	-	105,249,237
	1,255,821,614	82,968,327	33,243,029	18,912,927	1,390,945,897
March 31, 2017:					
Non current borrowings (including current maturities)	50,149,421	83,718,063	16,644,451	23,426,865	173,938,800
Current borrowings	487,211,647	-	-	-	487,211,647
Interest payable	1,524,716	-	-	-	1,524,716
Trade Payables	772,491,711	-	-	-	772,491,711
Other Payables	62,283,783	-	-	-	62,283,783
	1,373,661,278	83,718,063	16,644,451	23,426,865	1,497,450,657
April 01, 2016:					
Non current borrowings (including current maturities)	43,296,558	99,747,629	45,468,327	24,030,956	212,543,470
Current borrowings	410,297,850	-	-	-	410,297,850
Interest payable	1,524,716	-	-	-	1,524,716
Trade Payables	601,868,655	-	-	-	601,868,655
Other Payables	34,021,148	-	-	-	34,021,148
	1,091,008,927	99,747,629	45,468,327	24,030,956	1,260,255,839

B Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. The company's exposure to the risk of changes in the market interest rate relates primarily to the company's long term debt obligations with floating interest rates.



Bhagiradha Chemicals & Industries Limited

The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company manages the liquidity and fund requirements for its day to day operations like working capital, suppliers/buyers credit.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows. ₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Fixed-rate instruments			
Financial liabilities - measured at amortised cost			
Unsecured loan from related parties	-	-	-
Loans from intercorporates	85,139,466	74,510,904	-
Loans from Directors	11,847,388	62,255,670	-
Floating-rate instruments			
Financial liabilities - measured at amortised cost			
Term loan from banks	105,200,821	88,234,627	128,565,080
Working capital facilities	287,381,857	229,577,471	272,770,834
Buyers Credit	-	88,593,290	41,626,219
Bills Discounting	36,078,834	27,185,187	90,812,060
Credit card dues	5,051,317	5,089,125	5,088,738
Total	530,699,683	575,446,274	538,862,930

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
March 31, 2018		
Variable-rate loan instruments	1,084,282	(1,084,282)
Cash flow sensitivity (net)	1,084,282	(1,084,282)
March 31, 2017		
Variable-rate loan instruments	1,096,699	(1,096,699)
Cash flow sensitivity (net)	1,096,699	(1,096,699)

C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.



Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company, as per its risk management policy, uses natural hedge technique of adjusting foreign currency receivables against currency payable. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Exposure to all other foreign currencies other than US Dollar is not material.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016 are in Indian Rupees.

Particulars	As At	As At	As At
	31.03.2018	31.03.2017	01.04.2016
	USD	USD	USD
Financial assets			
Cash and cash equivalents	70,075	9,992	14,514
Trade and other receivables	143,058,995	76,717,550	191,449,642
	143,129,070	76,727,542	191,464,156
Financial liabilities			
Trade and other payables	257,894,216	474,295,131	285,447,400
Advance from customers	-	32,425,000	49,687,500
	257,894,216	506,720,131	335,134,900
Net exposure	(114,765,147)	(429,992,589)	(143,670,744)
	GBP	GBP	GBP
Financial assets			
Cash and cash equivalents	-	-	-
Advance to suppliers	-	437,359	-
	-	437,359	-
Financial liabilities			
Trade and other payables	-	-	-
Net exposure	-	437,359	-
Total exposure	(114,765,147)	(429,555,230)	(143,670,744)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars and Pounds at March 31 would have affected the measurement of financial instruments denominated in US dollars and Pounds and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. ₹

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
1% movement				
USD	(1,147,651)	1,147,651	-	-
	(1,147,651)	1,147,651	-	-
March 31, 2017				
1% movement				
USD	(4,299,926)	4,299,926	-	-
GBP	4,374	(4,374)	-	-
	(4,295,552)	4,295,552	-	-



D. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows: ₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 1.04.2016
Not due	-	-	-
0-90 days	276,339,844	143,831,455	271,801,900
90-180 days	39,254,266	26,804,570	-
180-270 days	39,812,909	-	1,422,900
270-360 days	-	-	361,450
More than 360 days	337,363	621,713	4,719,887
Total	355,744,382	171,257,738	278,306,136

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows. ₹

Particulars	Amount
Balance as at April 1, 2016	-
Impairment loss recognised	1,058,500
Amounts written off	1,058,500
Balance as at March 31, 2017	-
Impairment loss recognised	-
Amounts written off	-
Balance as at March 31, 2018	-

The impairment loss at March 31, 2018 related to customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, is mainly due to economic circumstances.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 3,44,27,200 at March 31, 2018 (March 31, 2017: INR 68,55,611, April 1, 2016 : INR 72,48,371.). The cash and cash equivalents are held with bank.

**NOTES : 41 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company intends to keep the gearing ratio between 0.5 to 1.5. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

₹

Particulars	As At 31.03.2018	As At 31.03.2017	As At 1.04.2016
Borrowings including interest accrued on borrowings (Note 14)	613,044,377	641,553,637	601,012,480
Less: cash and short-term deposits (Note 11)	(35,899,338)	(6,855,611)	(7,248,371)
Net debt	577,145,039	634,698,026	593,764,109
Equity	78,182,500	50,782,500	50,782,500
Other Equity	940,149,398	461,081,693	452,949,607
Total Equity	1,018,331,898	511,864,193	503,732,107
Gearing ratio (Net Debt/ Total Equity)	0.57	1.24	1.18

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately recall loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2018.

NOTES : 42 FIRST TIME ADOPTION OF IND AS

These are the Company's first set of financial statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- The Company has elected to regard carrying values for all of property, plant and equipment as deemed cost at the date of the transition.
- Estimates

The estimates as at April 01, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2016 (transition date), March 31, 2017 and March 31, 2018.



Bhagiradha Chemicals & Industries Limited

NOTES : 43 RECONCILIATION WITH INDIAN GAAP:

A.1 Reconciliation of equity as previously reported under Indian GAAP to Ind AS as at March 31, 2017:

Particulars	Indian GAAP	Effect of transition to Ind AS	Ind AS
ASSETS			
Non Current Assets			
Property, plant and equipment	687,207,686	-	687,207,686
Intangible assets	132,907	-	132,907
Financial assets			
Investments			
Loans	43,863,044	(26,201,519)	17,661,525
Deposits and others	-	7,708,866	7,708,866
Deferred tax assets (Net)	-	40,552,200	40,552,200
	731,203,637	22,059,548	753,263,185
Current Assets			
Inventories	1,061,580,910	-	1,061,580,910
Financial assets			
Loans	67,895,605	(67,895,605)	-
Trade receivables	171,257,738	-	171,257,738
Cash & cash equivalents	14,054,763	(7,199,152)	6,855,611
Deposits and others	-	1,189,700	1,189,700
Current tax assets (Net)	-	776,879	776,879
Other current assets	1,569,131	66,609,011	68,178,142
	1,316,358,147	(6,519,166)	1,309,838,981
Total Assets	2,047,561,784	15,540,381	2,063,102,165
EQUITY and LIABILITIES			
Equity			
Equity share capital	50,782,500	-	50,782,500
Other equity	431,063,423	30,018,270	461,081,693
Total Equity	481,845,923	30,018,270	511,864,193
Non Current Liabilities			
Financial liabilities			
Borrowings	122,171,290	(19,503,437)	102,667,853
Other financial liabilities		19,821,302	19,821,302
Provisions	-	8,066,025	8,066,025
Deferred tax Liabilities (Net)	18,940,467	(18,940,467)	-
	141,111,757	(10,556,577)	130,555,180
Current Liabilities			
Financial liabilities			
Borrowings	487,211,647	-	487,211,647
Trade payables	781,819,354	(9,327,643)	772,491,711
Current maturities and other liabilities	-	118,502,195	118,502,195
Provisions	430,548	(430,548)	-
Other current liabilities	155,142,555	(112,665,316)	42,477,239
	1,424,604,104	(3,921,312)	1,420,682,792
Total Equity and Liabilities	2,047,561,784	15,540,381	2,063,102,165



A.2 Reconciliation of equity as previously reported under Indian GAAP to Ind AS as at April 01, 2016:

Particulars	Indian GAAP	Effect of transition to Ind AS	Ind AS
ASSETS			
Non Current Assets			
Property, plant and equipment	663,366,959	-	663,366,959
Financial assets			
Loans	43,187,412	(26,201,519)	16,985,893
Deposits and others	-	7,514,106	7,514,106
Deferred tax assets (Net)	-	55,312,638	55,312,638
	706,554,371	36,625,225	743,179,596
Current Assets			
Inventories	721,037,661	-	721,037,661
Financial assets			
Loans	70,665,660	(70,665,660)	-
Trade receivables	278,306,136	-	278,306,136
Cash & cash equivalents	14,384,023	(7,135,652)	7,248,371
Deposits and others	-	1,189,700	1,189,700
Current tax assets (Net)	-	1,173,951	1,173,951
Other current assets	1,204,730	69,113,255	70,317,985
	1,085,598,210	(6,324,406)	1,079,273,804
Total Assets	1,792,152,581	30,300,819	1,822,453,400
EQUITY and LIABILITIES			
Equity			
Equity share capital	50,782,500	-	50,782,500
Other equity	410,749,084	42,200,523	452,949,607
Total Equity	461,531,584	42,200,523	503,732,107
Non Current Liabilities			
Financial liabilities			
Borrowings	167,959,276	(22,065,920)	145,893,356
Other financial liabilities	-	21,346,018	21,346,018
Provisions	-	1,305,058	1,305,058
Deferred tax Liabilities (Net)	12,704,520	(12,704,520)	-
	180,663,796	(12,119,364)	168,544,432
Current Liabilities			
Financial liabilities			
Borrowings	410,297,850.00	-	410,297,850.00
Trade payables	609,938,798.00	(8,070,143.00)	601,868,655.00
Current maturities and other liabilities	-	86,023,372.45	86,023,372.45
Provisions	62,162.00	(62,162.00)	-
Other current liabilities	129,658,391	(77,671,408)	51,986,983
	1,149,957,201	219,659	1,150,176,860
Total Equity and Liabilities	1,792,152,581	30,300,819	1,822,453,400



Bhagiradha Chemicals & Industries Limited

B.1 Reconciliation of Statement of Profit and Loss as previously reported under Indian GAAP to Ind AS for the year ended March 31, 2017:

Particulars	Indian GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations (Gross)	2,210,539,585	(22,681,445)	2,187,858,140
Excise duty	(179,581,242)	179,581,242	-
Other Income	18,276,712	1,524,716	19,801,428
Total Revenue (I)	2,049,235,055	158,424,513	2,207,659,568
EXPENSES			
Cost of Materials Consumed	1,486,709,217	-	1,486,709,217
Increase in Inventories of Finished Goods and Work-in-Progress	(86,669,934)	-	(86,669,934)
Excise duty on sale of goods	-	159,931,289	159,931,289
Employee Benefits Expenses	117,287,672	-	117,287,672
Finance Cost	61,949,923	7,477,171	69,427,094
Depreciation and Amortisation	38,359,763	-	38,359,763
Other Expenses	405,093,657	(7,946,181)	397,147,476
Total Expenses (II)	2,022,730,298	159,462,279	2,182,192,577
Profit Before Tax	26,504,757	(1,037,766)	25,466,991
Tax Expense			
Current tax	-	-	-
Adjustment of current tax relating to earlier years	(45,528)	-	(45,528)
Deferred tax charge/ (credit)	6,235,947	9,390,739	15,626,686
Total tax expense	6,190,419	9,390,739	15,581,158
Profit for the year	20,314,338	(10,428,505)	9,885,833
OTHER COMPREHENSIVE INCOME (OCI)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on employee defined benefit plans	-	(2,619,998)	(2,619,998)
Deferred tax credit	-	866,250	866,250
Total other comprehensive income for the year, net of tax	-	(1,753,748)	(1,753,748)
Total comprehensive income for the year, net of tax	20,314,338	(12,182,253)	8,132,085

Notes to reconciliation of equity as at April 01, 2016 and March 31, 2017 and statement of profit or loss for the year ended March 31, 2018:

i) MAT Credit entitlement

MAT credit entitlement is to be presented under loans and advance in accordance with Guidance Note on "Accounting for Credit available in respect of MAT under the Income Tax Act, 1961" issued by ICAI. However, as per Ind AS, MAT credit entitlement is generally recognized as a deferred tax asset with a corresponding deferred tax benefit in the statement of profit and loss. Accordingly, the Company has reclassified the MAT credit entitlement from loans and advances to deferred tax assets as at March 31, 2017 ` 2,50,11,819 (April 01, 2016: ` 2,50,11,819).



ii) Deferred Tax Assets

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires accounting for deferred taxes using the Balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences and the Company has accounted for such differences. Deferred tax adjustment are recognised in correlation to the underlying transaction either in retained earnings or a separate component in equity. Accordingly, the Company has recognised deferred tax assets/(liabilities) as at March 31, 2017 for ₹ 4,05,52,200 (April 01, 2016: ₹ 5,53,12,638).

iii) Borrowings - Sales Deferement Loan

The company has measured deferred sales tax loan at fair value in accordance with Ind AS. Accordingly the company has recognised government grant. Notional interest on such deferred sales tax loan has been charged to statement of profit and loss and government grant is amortised to statement of profit and loss over the remaining period of the loan.

iv) Excise duty on sale of goods

As per Indian GAAP, excise duty should be included in the turnover and should be shown as reduction from the gross turnover on the face of the statement of profit and loss. However, Ind AS 18 does not specifically prescribe any guidance for inclusive presentation of excise duty. Accordingly the Company has presented revenue gross of excise duty.

v) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

vi) Remeasure of actuarial gains/ (losses):

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

vii) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

NOTES : 44

The previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's presentation.

For S Singhvi & Co.

Chartered Accountants

ICAI Firm Registration Number :
003872S

Shailendra Singhvi

Proprietor

Membership No. 023125/ICAI

Place: Hyderabad

Date: 26 May 2018

For and on behalf of the **Board of Directors**

Bhagiradha Chemicals & Industries Limited

D Ranga Raju

Chairman

DIN No. 00066546

B Murali

Chief Financial Officer

S Chandra Sekhar

Managing Director

DIN No. 00159543

B N Suvarchala

Company Secretary



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BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

CIN: L24219TG1993PLC015963
Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad -500034;
Ph No: 040 4222 1212; Email: info@bhagirad.com;

**Form: 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 :Folio no./Client Id/DP Id : :
No of shares : :

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

Name:
E-mail :
Address : :
.....Signature:

or failing him / her

Name:
E-mail :Address :
.....
Signature:

as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 25th Annual General Meeting of the Company, to be held on Tuesday, 14th August, 2018 at 11.00 AM at Hotel Green Park, Greenlands, Ameerpet, Hyderabad - 500 016 and at any adjournment thereof in respect of such resolutions as are indicated below.

Sl. No.	Resolution(s)	Vote		
		For	Against	Abstain
	Ordinary Business			
1	Adoption of Audited financial statements for the FY : 2017-18			
2	Re-appointment of Shri. D. Sadasivudu as a Director			
	Special Business:			
3	Ordinary Resolution: Ratification of Cost Auditors Remuneration for the FY: 2018-19			

Signed this day of 2018.
.....

Signature of the proxy holder(s)



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

Place:
Date:

Signature of the Shareholder

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BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

CIN: L24219TG1993PLC015963

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

Ph No: 040 4222 1212; Email: info@bhagirad.com;

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

25th ANNUAL GENERAL MEETING

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

Folio No. / Client ID / DP ID :

No.of Shares:

Name of the attending member/ :

Proxy (in BLOCK LETTERS)

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company being held at 11.00 AM on Tuesday, 14th August 2018 at Green Park Hotel, Greenlands, Ameerpet, Hyderabad - 500 016.

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

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Bhagiradha Chemicals & Industries Limited

CIN : L24219TG1993PLC015963

Registered Office

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

Factory

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