



**Bhagiradha Chemicals & Industries Limited**



**Right Chemistry for Growth**

26<sup>th</sup> Annual Report 2018-19



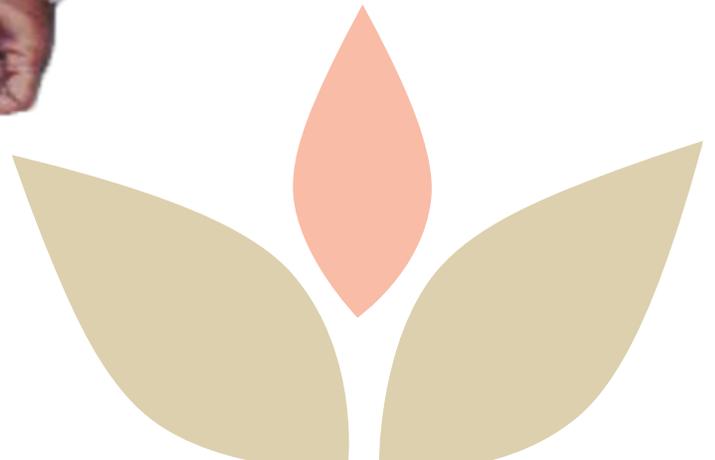
## **Sri Singavarapu Koteswara Rao**

(07.09.1945 - 04.07.2010)

### **Our Founder- Our Visionary**

Our founder had a vision, shared his vision and inspired us to create our own vision – a true visionary

His journey from a humble origin of being the son of a farmer to being a successful industrialist and benefactor of hundreds of families, will be a great source of inspiration for generations to come. An alumni of the Indian Institute of Technology, Chennai, Sri Koteswara Rao, pursued excellence as his only mission. His righteous path is the way forward for us at Bhagiradha.



# Right Chemistry for Growth

At Bhagiradha Chemicals & Industries Limited the growth is an outcome of having the right people, management processes and products in place. This has enabled the company to identify right opportunities and markets for growth. In FY19 the company achieved a record growth in revenue and margins. Increased capacity utilization, bettering exports and successful backward integration assisted this exceptional performance.

## KEY HIGHLIGHTS

FY19 Total Revenue

₹ **384.58** Crores

+ 109% YoY

FY19 Export Revenue

₹ **196** Crores

+ 51.4 % YoY

FY19 Profit After Tax

₹ **18.29** Crores

As against the loss of ₹ 1.30 Cr. in FY18

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## Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes only and hence they are not the photos/images of our facilities, products or of any such nature/kind.



Bhagiradha is distinguished globally as an R&D driven agrochemical Company. Through its strengths in innovation and agile development practices, the Company has adapted itself in meeting the expectations of its customers amidst changing regulatory requirements



## Bhagiradha at a glance

Bhagiradha is distinguished globally as an R&D driven agrochemical Company. Through its strengths in innovation and agile development practices, the Company has adapted itself in meeting the expectations of its customers amidst changing regulatory requirements. Evolutionary development, adaptive planning, continual improvements and perseverance form the core around which Bhagiradha has modelled its R&D. In doing so, it has succeeded in being recognized as a credible global agrochemicals player. A robust product portfolio, elite customer base and a diverse revenue mix reflect our strengths. This undeniably was the vision of the founder Mr. Singavarapu Koteswara Rao. Bhagiradha had strived over the preceding 26 years to provide finest quality and value added products to its customers across the globe.

Incorporated in 1993, we, at Bhagiradha, focus on complex chemistry solutions in the field of Agri-Sciences. We are proud to be one of the few R&D driven agrochemical manufacturing companies in India. Our strong R&D team coupled with state of the art facilities has been the backbone of the company. Bhagiradha maintains a strong research

presence through its R&D facility at Ongole (Andhra Pradesh), which deploys a dedicated team of scientists. The facility includes advanced research and development labs, kilo plants and pilot plants. Over the years, we have successfully leveraged our capabilities to deliver tangible results to our customers through an enduring partnership. We are geared up to deliver accelerated performance by matching our well-integrated capabilities with attractive global opportunities.



### Manufacturing facilities

- Located at Ongole (Andhra Pradesh), 95 miles from the state capital of Andhra Pradesh, the manufacturing facilities are spread across a vast area of 25.40 hectares.
- Annual Production capacity of around 3200 tons, across 3 production blocks designed to meet FAO/WHO standards.

# Board of Directors



**Mr. K S Raju**  
Non-Executive Chairman



**Mr. S. Chandra Sekhar**  
Managing Director



**Mr. D. Sadasivudu**  
Director



**Mr. Sudhakar Kudva**  
Independent Director



**Mr. G.S.V. Krishna Rao**  
Independent Director



**Mr. Ketan Chamanlal Budh**  
Whole Time Director



**Mrs. S. Lalitha Sree**  
Director



**Mrs. A. Lakshmi Sowjanya**  
Independent Director

- Audit Committee
- Stakeholder's Relationship Committee

**M** : Member of the Committee

- Nomination & Remuneration Committee
- CSR Committee

**C** : Chairman of the Committee



## Chairman's letter

### Dear Shareholders,

It's heart-warming to share that your company has clocked the finest performance during the financial year 2018-19.

It was possible by enduring the challenges faced in the preceding year and a sheer perseverance to unlock your company's momentous potential. A quick revival and scaling up of the accident affected production block was a catalyst for this distinguished performance. Also, we have added new clients in the export markets and also been able to retain our existing customers by adding significant repeat business during the year.

Your Company achieved the highest ever operating income of ₹ 383.98 crores during the year, achieving an impressive growth of 109 % in revenues over the previous year. The total revenue during the year rose to ₹ 384.58 Crs from ₹ 184.08 Crs of the previous year buoyed by strong performance in exports as well as in the domestic markets. Exports grew by 251.92 % while domestic sales improved by 46.97%. For the year ended, the profit after tax stood at ₹ 18.29 Crs as against loss of ₹ 1.30 Crs in the previous year.

Your Board of directors recommended a dividend of ₹ 2/- per share to reward the shareholders for their trust. Your Company will strive to improve the bottom-line by enhancing operational efficiency and by choice of appropriate product mix to increase the revenues.

Your company incurred a capital expenditure of ₹ 34.42 crores during the year to facilitate backward

integration of some key intermediates and also towards the complete reinstatement of Production Block-3. Besides this investment, keeping in view the future capacity expansion requirements, your Company acquired 23.14 acres of land abutting the factory at Ongole.

Your company is constantly making efforts to improve upon its R&D capabilities and manufacturing processes and thereby remain as a manufacturer of choice for technical grade pesticides with highest quality standards. Your Company has successfully backward integrated the production of certain key intermediates in the manufacture of its bestseller fungicide, Azoxystrobin and capex plans are afoot for large scale production of its insecticide, Fipronil by 2020. The realization for the range of products of BCIL having stabilized, coupled with the likely addition of capacity, the outlook appears promising.

On behalf of the Board, I would like to thank our Customers, Suppliers, Bankers, Business Partners, and Government for their support to the Company. I also convey my sincere appreciation to the employees and staff of the company for their teamwork. Finally, I thank our shareholders for the trust and confidence they reposed in us.

Sincerely,

**K Satyanarayana Raju**  
Chairman

# Review by Managing Director

**Dear Shareholders,**

On the 7th July 2018, your Company completed 25 years of incorporation. With a sense of veneration, I recall how our illustrious founder Sri Singavarapu Koteswara Rao, laid the foundations and nurtured this organization. It has stood the test of time and with humility I would say that your Company has begun taking those much needed big leaps in terms of growth and footprints across countries to remain competitive and relevant.

In FY 19, our Company posted highest sales turnover ₹ 381.27 Crs and profit after tax of ₹ 18.29 Crs.

Focus on higher margin yielding product mix and effective management of inventory resulted in increase of EBITDA margin to ₹ 41.89 Crs from ₹ 12.36 Crs of the previous year profit before exceptional items, while the PAT rose to ₹ 18.29 Crs from a Loss of ₹ 1.30 Crs of the previous year. The CASH EPS jumped to ₹ 41.82 from a negative ₹ 4.55.

But for the unstinted participation of the employees of BCIL at all the levels, these achievements would not have been made possible. I am proud of my BCIL colleagues for delivering on the commitments they made and the resulting financial turnaround.

We are geared up to unlock the next wave of growth and are working in a phased manner on certain key segments. We have added a few overseas customers who operate in Europe and we are hopeful of a lasting and mutually beneficial association with them. Our R&D is working on certain off patent products with encouraging results that have vast potential to propel our business volumes when we expand and commercialize them.

Besides, we have also signed an agreement with IICT Hyderabad in the current year for collaborating on development of process technology for certain other products.

Also, we are actively working on registration of certain products in the domestic and overseas markets. These measures should give us tangible outcomes in the near term.

We have a robust order book on hand and I am confident that your Company would continue to do well in FY20.

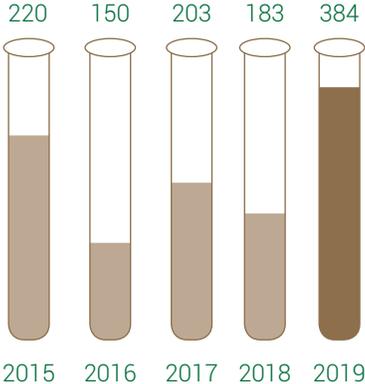
Warm Regards,

**S. Chandra Sekhar**  
**Managing Director**

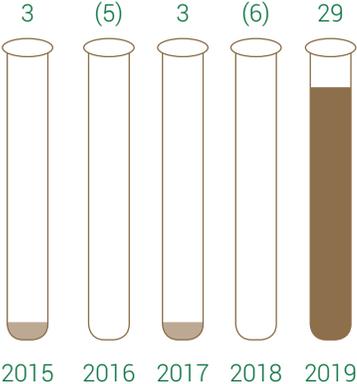


# Key Performance Indicators (₹ in Crores)

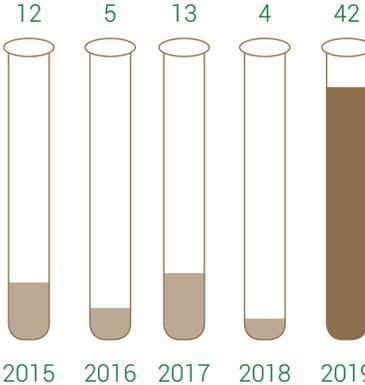
## REVENUE FROM OPERATIONS



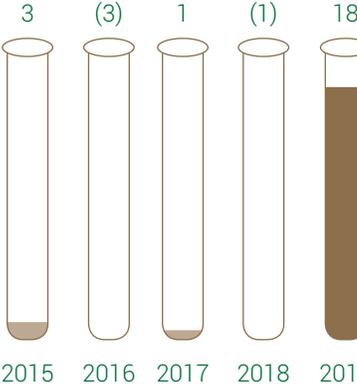
## PROFITABILITY



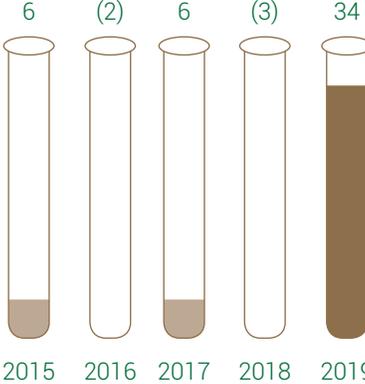
## EBIDTA



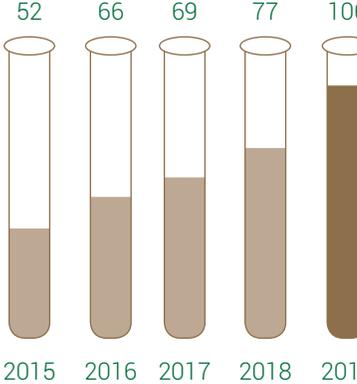
## PAT



## CASH PROFIT



## NET FIXED ASSETS



# Management Discussion and Analysis

## GLOBAL ECONOMY

Economic growth accelerated in more than half the world's economies in both 2017 and 2018. Developed economies expanded at a steady pace of 2.2 per cent in both years, and growth rates in many countries have risen close to their potential, while unemployment rates in several developed economies have dropped to historical lows. Among the developing economies, the regions of East and South Asia remain on a relatively strong growth trajectory, expanding by 5.8 per cent and 5.6 per cent, respectively in 2018. Many commodity-exporting countries, notably fuel exporters, are continuing a gradual recovery, although they remain exposed to volatile prices.

Global economic growth remained steady at 3.1 per cent in 2018, as a fiscally induced acceleration in the United States of America offset slower growth in some other large economies. Economic activity at the global level is expected to expand at a solid pace of 3 per cent in 2019, but there are increasing signs that growth may have peaked. The growth in global industrial production and merchandise trade volumes has been tapering since the beginning of 2018, especially in trade-intensive capital and intermediate goods sectors.

Leading indicators point to some softening in economic momentum in many countries in 2019, amid escalating trade disputes, risks of financial stress and volatility, and an undercurrent of geopolitical tensions. At the same time, several developed economies are facing capacity constraints, which may weigh on growth in the short term.

Over the course of 2018, there was a significant rise in trade tensions among the world's largest economies, with a steep rise in the number of disputes raised under the dispute settlement mechanism of the World Trade Organization. A prolonged episode of heightened tensions and spiral of additional tariffs among the world's largest economies poses considerable risk to the global trade outlook. The impact on the world economy could be significant: a slowdown in investment, higher consumer prices and a decline in business confidence. This would create severe disruptions to global value chains, particularly for exporters in East Asian economies that are deeply embedded into the supply chains of trade between China and the United States. Slower growth in China and/or the United States could also reduce demand for commodities, affecting commodity-exporters from Africa and Latin America. There is a risk that the trade disputes could aggravate financial fragilities, especially in some emerging economies. Rising import prices, coupled with tighter financial conditions and

high debt-servicing costs, could squeeze profits and cause debt distress in certain industries over the medium term.

## INDIAN ECONOMY

India's economy is projected to grow at 7.1 per cent in fiscal year 2020 on the back of strong domestic consumption and investment according to a report by the United Nations "The World Economic Situation and Prospects (WESP) 2019".

Despite 2018 being filled with external vulnerabilities arising out of rising oil prices, trade wars between major global trading partners and US monetary tightening, India outshone as the world's fastest growing major economy. The Indian economy, which generates two-thirds of the regional output in South Asia, expanded by 7.2 per cent in 2018. Strong domestic consumption and investment will continue to support growth, which is projected at 7.0 per cent in 2019 and 7.1 per cent in 2020. Better demand conditions, settled GST implementation, capacity expansion from growing investments in infrastructure, continuing positive effects of reform policies and improved credit offtake especially in the services sector at 24 percent will sustain the robust GDP growth in the range of 7.5 percent in 2019

## GLOBAL AGROCHEMICAL INDUSTRY

A preliminary analysis by Agribusiness intelligence, of country market and company performances in 2018, estimates that the global market for agrochemicals, used in both crop and non-crop situations, has increased by 4.1% to \$64,038 million at the ex-manufacturer level.

### Global Agrochemical Market Value (\$m.)

Based on this analysis, the global crop protection market is estimated to have increased by 4.2% to a total value of \$56,500 million during calendar year 2018. The main factor which has led to this growth is the recovery in the Brazilian market, the largest in the world, after its significant decline in 2016 and 2017. The excessive crop protection inventories which resulted in the 2017 decline have been addressed and are no longer such an issue. Other positive drivers include the generally high level of crop protection prices, resulting partly from supply shortages. In particular the prices of products originating from China have been high as a result of the environmental pressures and consolidation in the Chinese industry. This has been exacerbated by the tariffs imposed by the US on some Chinese chemical imports; Albaugh, for example, has announced that it had to increase its prices partly as a result of these; so has FMC.



Sales (\$m)	Crop Protection	Non-Crop	Total Agrochemical
2013	54,075	6,512	60,587
2014	58,746	6,515	65,261
2015	56,160	6,882	63,042
2016	52,882	7,106	59,988
2017	54,219	7,311	61,530
<b>2018P</b>	<b>56,500</b>	<b>7,538</b>	<b>64,038</b>

#### Crop Protection Market Performance 2018

Year	Crop Protection Market (\$m)	Change from Previous Year (nominal %)
2013	54,075	+4.4
2014	58,746	+8.6
2015	56,160	-4.4
2016	52,882	-5.8
2017	54,219	2.5
<b>2018P</b>	<b>56,500</b>	<b>+5.0</b>

#### Regional Market Performance 2018 – Nominal US Dollar Growth

Region	2018P (\$m)	Nominal Growth 2018/2017 (%)
NAFTA	11,105	+3.2
Latin America	13,425	+6.0
Europe	12,770	+3.2
APAC	17,050	+4.6
MEA	2,150	+1.9
<b>World</b>	<b>56,500</b>	<b>+4.2</b>

## DOMESTIC AGROCHEMICAL INDUSTRY

Normal monsoons and favorable policies have boosted the agricultural sector recently. In the longer term, sustained policy boosts (irrigation, market access for farmers and rural infrastructure) will drive up farmer incomes and push up penetration of agrochemicals.

Agriculture is the primary source of livelihood for about 58 percent of India's population. Gross Value Added by agriculture, forestry and fishing was estimated at ₹ 18.53 trillion (US\$ 271.00 billion) in FY18. During 2017-18 crop year, food grain production is estimated at record 284.83 million tons. In 2018-19, Government of India targeted food grain production of 285.2 million tons. As of September 2018, total area sown with kharif crops in India reached 105.78 million hectares.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion

in FY18. Between Apr 2018-Feb 2019 agriculture exports were US\$ 34.31 billion. India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

The government of India targets to increase the average income of a farmer household at current prices to ₹ 2,19,724 (US\$ 3,420.21) by 2022-23 from ₹ 96,703 (US\$ 1,505.27) in 2015-16.



**The government of India targets to increase the average income of a farmer household at current prices to ₹ 2,19,724 (US\$ 3,420.21) by 2022-23 from ₹ 96,703 (US\$ 1,505.27) in 2015-16.**



## COMPANY OVERVIEW

Bhagiradha Chemicals & Industries Ltd is an R&D driven Technical grade pesticide manufacturing Company and has grown consistently to become a niche player in the field of agro chemicals. Its technical grade insecticides, fungicides and herbicides command respect in the overseas market and contribute up to 50% of its sales revenue.

Bhagiradha is well placed in the domestic market, led by a robust domestic portfolio with focus on in-licensing and regular launch of new products. The year gone by has witnessed significant progress made by our company in broad basing its revenue mix by adding new clients, new geographies and new products. These initiatives are expected to translate into accelerated revenues in the years ahead. The diversification in revenue stream would help us to mitigate any negative climate headwinds.

Bhagiradha looks set for sustainable long term growth led by its sheer endurance that was displayed in the bygone years. We have stayed the course and believed in our business model. We have successfully managed both failures and risks in a fast changing world.

Bhagiradha wants to be a partner of choice by creating compelling value for customers through leveraging its R&D capabilities and cost leadership. We have constantly raised the bar by benchmarking ourselves against the global best. Through a combination of high technology, talent, and a culture rooted in deep science we have proved that as an organization, we have what it takes to make world-class agrochemicals.

## SWOT ANALYSIS

### Strengths

Dominant market position in manufacturing of fungicides and herbicide technical.

Strong R&D capabilities and niche chemistry skills

Longstanding relationships with the global leaders in agro chemical industry.

Long standing industry experience of promoters and hands on approach of the management in R&D segment.

### Weaknesses

Dependence on China for raw material linkages. China still continues to be the main source for many of the basic raw materials used in chemical manufacturing. Any disruption in the supplies is expected to have significant impact on the production and margins for the domestic agro Chemical players.

### Opportunities

Blue-sky policy of China -Many chemical manufacturing facilities in China were shut down owing to safety issues, lack of effluent treatment facilities and relocation to industrial parks under pressure from Government. Moreover, additional cost incurred for proper effluent disposal also resulted in increase in manufacturing cost for Chinese companies. This has resulted in mismatch in supply and demand for pesticides, presenting an excellent opportunity for Indian Chemical Manufacturers.

### Threats

Susceptibility to delays in Regulatory approvals.

## BUSINESS STRATEGY

### Short-Term/Medium-Term

- Make the most from its present leadership position of its bestseller fungicide, Azoxystrobin by scouting for new clientele in the domestic and overseas market.
- Commercialize production of Fipronil on a large scale and capture sizable market share in domestic as well as overseas market.

### Long- Term

- Continue to work on developing commercially viable technologies for the products coming off patent post 2020 and emerge as a leading agrochemical Company with decent market share in the domestic segment and strong presence in overseas market.
- Strong emphasis on registrations of new products in existing markets and also of existing products in new markets to ensure strong, diversified revenue streams.

## STATUS OF INSURANCE CLAIM

During the course of operations, a fire accident occurred in one of the production blocks on 20-05-2017. Part of the civil structures, Plant and Electrical Equipment worth ₹ 9.71 crores got damaged.

The Company has lodged a claim under the reinstatement policy for ₹ 12.41 crores towards the damages and the insurance company has disbursed ₹ 5.18 crores on ad hoc basis.

The Company has accounted loss as per Ind AS 16, ("Property, Plant and Equipment") Ind AS 36 ("Impairment of Assets"), net of ad hoc amount released by insurance company. The Company has also lodged a claim under consequential loss policy and both the claims are pending with the insurance company for final settlement.

## RESEARCH & DEVELOPMENT

The Company's DSIR recognized R&D Centre located within the factory premises in Ongole is the key strength of Bhagiradha. Its well qualified and skilled professionals are specialized across research and process development of advanced intermediates and have successfully backward integrated the key raw material intermediates in the manufacture of Azoxystrobin fungicide. The process technology for the high quality products of Bhagiradha are entirely developed In-House over the years and its research team is constantly striving to establish a sound scientific base to meet the increasing demands on the quality of the products.

The company has also generated authentic chemical and toxicological data for its key products to facilitate registration of these products in the importing countries. The team is working hard on developing process technology for some high end off patent insecticides and fungicides.

### Quality and Compliance

During the year, the manufacturing facility has undergone successful safety and Quality audits by our MNC customers and our facility complies with all the regulatory requirements. We aim at maintaining world class quality standards to unfailingly deliver and exceed the customer expectations.

**The process technology for the high quality products of Bhagiradha are entirely developed In-House over the years and its research team is constantly striving to establish a sound scientific base to meet the increasing demands on the quality of the products.**



## FINANCIAL HIGHLIGHTS

### Raw Material Consumed

The consumption of raw materials increased by 85.80% in the year 2018-19 as against reduction of consumption by 10.98% during the year 2017-18. The full scale operations in the accident affected production block resulted in increase of sales turnover by 109.75 % and consequently the consumption too increased equitably.

### Employee Benefit Expenses

The employee related expenses increased to ₹ 15.84 Cr. from ₹ 11.59 Cr. The increase was mainly on account of fresh recruitment during the year on Company's rolls to meet the future growth plans and also on account of increased number of contract labor driven by increasing capacity utilization.

### Other Expenses

The expenses under this head increased to ₹ 51.19 Cr. from ₹ 32.29 Crs. The increase is in line with the increased sales turnover in the year as compared to the previous year. The year before the expenses under this head were ₹ 39.71 Cr.

### Profit after Tax

The profit after tax improved to ₹ 18.29 Cr. as against the loss of ₹ 1.30 Cr. The turnaround was the result of increase of total revenue in the year to ₹ 384.58 Cr. from ₹ 184.08 Cr in the previous year, facilitated by revival of full scale operations in production block III and also on account of better price realization in some segments.

### Balance Sheet

(₹ in Crores)

Particulars	As on 31.03.2019	As on 31.03.2018
<b>Liabilities</b>		
Share capital	8.33	7.82
Reserves and surplus	119.77	94.01
Non- Current liabilities	8.40	14.50
Current Liabilities	137.12	126.73
<b>Total</b>	<b>273.62</b>	<b>243.06</b>
<b>Assets</b>		
Fixed Assets	109.73	77.09
Non- Current Assets	6.58	11.21
Current assets	157.31	154.76
<b>Total</b>	<b>273.62</b>	<b>243.06</b>

### Fixed Assets

The gross carrying value of fixed assets increased to ₹ 152.30 Crs in the year, mainly due to capitalization of plant & equipment relating to backward integration works and reinstatement in block III to the tune of ₹ 29.80 Crs, Civil works which include construction of a new store house at a cost of ₹ 1.75 Cr. and cost of acquisition of land in acres 23.14 keeping in view the future requirement at a cost of ₹ 1.95 Cr.

### Ratios

Key ratios	31.03.2019	31.03.2018
Inventory turnover	14.98	51.77
Interest coverage ratio	4.67	1.36
Current Ratio	1.15	1.22
Debt Equity ratio	0.37	0.60
Gross profit ratio	12.13	8.94
Net Profit margin	7.57	-3.07
EPS	22.53	-2.09
EPS (Cash)	41.82	-4.55
Return on capital employed	0.24	-0.01
Book value	157.80	163.79

## Ratios

The total revenue of the Company in fiscal 2019, having improved by about 109% to ₹ 384.58 Cr. from ₹ 184.08 Cr. of the previous year as also the bottom line to ₹ 18.29 Cr. from loss of ₹ 1.30 Cr, most of the key ratios have positively improved over the previous year.

**Inventory Turnover:** The ratio improved to 14.98 from the previous year's ratio of 51.77 by 71.06 %. Momentous improvement in the sales turnover backed by significant repeat orders from the existing customers and sales to new overseas customers during the year resulted in increased sales by 109% and thereby decent improvement in the inventory turnover ratio.

**Interest Coverage:** Buoyed by strong performance in exports as well as in domestic market, the profit after tax jumped to ₹ 18.29 Cr. during the year as against the loss of ₹ 1.30 Cr. of the previous year. The reduction of rate of interest by banks, owing to improved credit rating and reduced term loan liability on account of repayment have also helped improve the interest coverage ratio to 4.67 as against that of 1.36 in the previous year, thus showing improvement of coverage by 2.43 times.

**Debt Equity:** Equity infusion of ₹ 7.00 Cr. by promoters by way of conversion of 5, 16,000 share warrants into as many shares having face value of ₹.10/- each with a premium of ₹ 171/, the profits ploughed back to reserves to the tune of ₹ 18.29 Cr and long term debt repaid to the tune of ₹ 6.90 Cr, have all contributed for the improvement of Debt equity ratio during the year to 0.37 from the previous year's 0.60. The ratio improved by 62.16% during the year.

**Operating Profit margin:** The operating profit margin improved to 9.65% during the year as against 5.15% of the previous year. The surge in the sales revenue and consequent growth in the bottom line contributed for the improved profit margins by about 87%.

**Net Profit margin:** The net profit margin for the year ended 31.03.2019 stood at 4.75% as compared to -0.53% of the previous year. The growth in revenue by over 109% has improved the bottom line to ₹ 18.29 Cr. against loss of ₹ 1.30 Cr.

## 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.

## INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT

The company has cordial and harmonious industrial relations. Opportunities for individual growth, creativity and dedicated participation in the 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.





# Corporate Information

## 26<sup>th</sup> Annual General Meeting

Day : **Friday**  
Date : **09<sup>th</sup> August, 2019**  
Time : **11.00 AM**  
Venue : **Hotel Green Park**  
Greenlands, Ameerpet  
Hyderabad-500 016

### Board of Directors

<b>Mr. K.S. Raju</b>	Chairman (from 14 <sup>th</sup> August, 2018)
<b>Mr. S. Chandra Sekhar</b>	Managing Director
<b>Mr. Ketan Chamanlal Budh</b>	Whole time Director (from 14 <sup>th</sup> May, 2019)
<b>Mr. D. Ranga Raju</b>	Non-Executive Chairman Independent Director (up to 14 <sup>th</sup> June, 2018)
<b>Mr. Sudhakar Kudva</b>	Non-Executive Independent Director
<b>Mr. G.S.V Krishna Rao</b>	Non-Executive Independent Director (from 13 <sup>th</sup> November, 2018)
<b>Mrs. A. Lakshmi Sowjanya</b>	Non-Executive Independent Director (from 14 <sup>th</sup> August, 2018)
<b>Mr. D.Sadasivudu</b>	Non-Executive Director
<b>Mrs. S.Lalitha Sree</b>	Non-Executive Director

### Key Managerial Personnel

<b>Mr. A.Arvind Kumar</b>	Chief Executive Officer (from 14 <sup>th</sup> May, 2019)
<b>Mr. B.Murali</b>	Chief Financial Officer (up to 31 <sup>st</sup> May, 2018)
<b>Mr. B.Krishna Mohan Rao</b>	Chief Financial Officer (from 14 <sup>th</sup> August, 2018)
<b>Mrs. B.N.Suvarchala</b>	Company Secretary

#### Bankers

State Bank of India  
SME Branch, Saifabad, Hyderabad

IDFC First Bank Limited  
Jubilee Town Branch, Hyderabad

Bank of India  
Khairatabad Branch, Hyderabad

#### Statutory Auditors

M/s. S. Singhvi & Co.  
Chartered Accountants  
Hyderabad - 500 016

#### Cost Auditors

M/s. Sagar & Associates  
Cost Accountants  
Hyderabad - 500 001

#### Secretarial Auditors

M/s. 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 Dist, Andhra Pradesh 523 272

#### Registrar & Share Transfer Agent

M/s. 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

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on Friday, August 09, 2019 at 11:00 A.M at Hotel Green Park, Green lands, Ameerpet, Hyderabad, Telangana-500016 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend of ₹ 2/- per share on the Equity shares of the Company for the financial year 2018- 19.
3. To appoint a Director in the place of Mr. K.S. Raju (DIN: 00008177) who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

### Special Business:

#### 4. Reappointment of Mr. Sudhakar Kudva as an Independent Non-Executive Director.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sudhakar Kudva (DIN:02410695), Independent Non-Executive Director of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Sudhakar Kudva for the office of Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company who shall hold office for the second term of five consecutive years from 09<sup>th</sup> August, 2019 to 08<sup>th</sup> August, 2024 and whose office shall not be liable to retire by rotation”.

#### 5. Appointment of Mrs. A. Lakshmi Sowjanya as an Independent Non-Executive Director.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. A. Lakshmi Sowjanya (DIN:06762052) who was appointed as an Additional Director of the Company by the Board of Directors, with effect from 14<sup>th</sup> August, 2018 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mrs. A. Lakshmi Sowjanya for the office of Independent Director of the Company, who meets the criteria of independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not be liable to retire by rotation.”



**6. Appointment of Mr. G.S.V Krishna Rao as an Independent Non-Executive Director.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. G.S.V Krishna Rao (DIN:08199210) who was appointed as an Additional Director of the Company by the Board of Directors, with effect from 13<sup>th</sup> November, 2018 and who holds office till the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. G.S.V Krishna Rao for the office of Independent Director of the Company, who meets the criteria of independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not be liable to retire by rotation.”

**7. Appointment of Mr. Ketan Chamanlal Budh as Whole Time Director.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the appointment of Mr. Ketan Chamanlal Budh (DIN:01740025) by the Board as Whole-Time Director of the Company for a period of three years w.e.f 14.05.2019, whose office shall be liable to retire by rotation, with remuneration and other terms and conditions of appointment as recommended by the Nomination & Remuneration Committee and as stated in the Explanatory Statement annexed to the Notice be and is hereby approved.

**8. Revision of Remuneration and other terms & conditions of the appointment of Mr. S. Chandra Sekhar Managing Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** in partial modification to the resolution passed by the members at the Annual General Meeting held on 11<sup>th</sup> August, 2015 and subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for revision in the terms and conditions of Remuneration to Mr. S. Chandra Sekhar (DIN: 00159543), Managing Director w.e.f 01<sup>st</sup> April, 2019 till completion of the remaining period of his present term of appointment up to 31<sup>st</sup> May 2020 as stated in the Explanatory Statement annexed to the Notice.”

**9. To ratify the remuneration of Cost Auditors for the financial year 2019-20**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors and as set out in the Statement annexed to the Notice convening this Meeting, to be paid to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2019-20 be and is hereby ratified .”

By order of the Board of Directors

Place: Hyderabad

Date: 14.05.2019

**B. N. Suvarchala**

Company Secretary

## Explanatory statement

### Item No. 4.

Mr. Sudhakar Kudva was appointed as an Independent Non-Executive Director of the Company by the members at the 21<sup>st</sup> AGM of the Company held on 11<sup>th</sup> August, 2014 for a period of five consecutive years.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company. Based on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sudhakar Kudva, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 09<sup>th</sup> August, 2019 to 08<sup>th</sup> August, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Sudhakar Kudva fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Sudhakar Kudva as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Sudhakar Kudva as an Independent Director for another term of five consecutive years with effect from 09<sup>th</sup> August, 2019 to 08<sup>th</sup> August, 2024, for the approval by the shareholders of the Company.

None of the Directors, except Mr. Sudhakar Kudva, is in any way concerned or interested in this resolution. Hence, the Board recommends to the members to pass this resolution as Special resolution.

### Item No. 5

Mrs. A. Lakshmi Sowjanya was appointed as an Additional Director of the Company by the Board with effect from August 14, 2018 pursuant to Section 161 of the Companies Act, 2013 (Act) and holds office up to the date of this Annual General Meeting. The Company has received from Mrs. A. Lakshmi Sowjanya the requisite disclosures/ declarations pursuant to the provisions of the Act.

Mrs. A. Lakshmi Sowjanya's qualification, experience and directorships and memberships of other Board Committees, shareholding and other details as required under secretarial standards are furnished in the annexure and in the Corporate Governance Report.

Mrs. A. Lakshmi Sowjanya is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board recommends the appointment of Mrs. A. Lakshmi Sowjanya as Independent Non- Executive Director of the Company for a period of five years w.e.f. 14<sup>th</sup> August, 2018 to 13<sup>th</sup> August, 2023.

None of the Directors, except Mrs. A. Lakshmi Sowjanya, is in any way concerned or interested in this resolution. Hence, the Board recommends to the members to pass this resolution as an ordinary resolution.



#### **Item No.6**

Mr. G.S.V. Krishna Rao (DIN: 08199210) was appointed as an additional Director of the Company by the Board pursuant to Section 161 of the Companies Act, 2013 (Act) and holds office up to the date of this Annual General Meeting. The Company has received from Mr. G.S.V Krishna Rao the requisite disclosures/ declarations pursuant to the provisions of the Act.

Mr. G.S.V Krishna Rao's qualification, experience and directorships and memberships of other Board Committees, shareholding and other details as required under secretarial standards are furnished in the annexure and in the Corporate Governance Report.

Mr. G.S.V. Krishna Rao is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board recommends the appointment of Mr. G.S.V. Krishna Rao as Independent Non- Executive Director of the Company for a period of five years w.e.f. 13<sup>th</sup> November, 2018 to 12<sup>th</sup> November, 2023.

None of the Directors, except Mr. G.S.V Krishna Rao, is in any way concerned or interested in this resolution. Hence, the Board recommends to the members to pass this resolution as an ordinary resolution.

#### **Item No.7**

The Board of Directors has appointed Mr. Ketan Chamanlal Budh (Din:01740025) as Whole time Director of the Company in its meeting held on 14<sup>th</sup> May, 2019 for a period of three years w.e.f 14.05.2019. The remuneration structure as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company is as mentioned below:

1.	Salary and allowances: ₹ 2,50,000 Per month w.e.f 14.05.2019
2.	Gratuity, Provident Fund and Leave as applicable to the employees of the Company

Mr. Ketan Chamanlal Budh is having more than two decades of valuable experience in the chemical businesses. Your Directors are of the opinion that his association with the Company as one of the Directors in view of his rich experience will benefit the Company. The resolution as set out in Item No. 7 of the Notice convening the meeting has to be considered accordingly as recommended by the Board. The resolution seeks approval of the members in terms of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Rules made there under for the appointment of Mr. Ketan Chamanlal Budh as Whole time Director for a period of three years commencing from 14.05.2019

None of the Directors, except Mr. Ketan Chamanlal Budh, is in any way concerned or interested in this resolution. Hence, the Board recommends to the members to pass this resolution as Special resolution.

#### **Item No.8**

Mr. S Chandra Sekhar, the Managing Director holds a Master's Degree in Chemical Engineering from the University of Illinois, Chicago, U S A and has been a promoter director since 2010.

The Managing Director is currently paid a Gross monthly remuneration of ₹ 3.00 Lakhs as approved by the members Based on the recommendations of the Nomination and Remuneration Committee and the Board in their meetings held on the 29<sup>th</sup> May, 2012 and 15<sup>th</sup> May, 2015.

The Nomination and remuneration committee recommended upward revision of the remuneration, commission and other terms and conditions of his appointment w.e.f 01.04.2019 subject to the approval of the members as mentioned below for the remaining period of his tenure. The Board in its meeting held on 14<sup>th</sup> May, 2019 has approved and recommended the upward revision of remuneration payable to the Managing Director and also the changes in other terms and conditions as mentioned in Item no.8 above. Accordingly, the following revision is proposed in the existing remuneration structure of the Managing Director:-

**Revised Terms and conditions.**

1.	Salary and allowances: ₹ 5,00,000 Per month w.e.f 01.04.2019
2.	Gratuity, Provident Fund and Leave as applicable to the employees of the Company
3.	Health Insurance cover of ₹20 Lakhs for self and family and reimbursement of hospitalization expenses exceeding the amount paid by the insurer.
4.	Chauffeur driven Car and telephone facility
5.	Commission of 3% of net profit subject to a maximum amount of 50% of Annual Gross salary and allowances.

None of the Directors, except Mr. S. Chandra Sekhar and Mrs. S.Lalitha Sree, is in any way concerned or interested in this resolution. Hence, the Board recommends to the members to pass this resolution as a Special resolution.

**Item No.9**

The Board of Directors, on the recommendations of the Audit committee, at its meeting held on 14<sup>th</sup> May, 2019 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 31<sup>st</sup> March, 2020 with a remuneration of ₹ 1,00,000/- per annum (Rupees one lakh 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 for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

None of the other Directors 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.



## ANNEXURE TO THE AGM NOTICE

### Details of Directors seeking re-appointment

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

Name of the Director	Mr. K.S.Raju	Mr. Sudhakar Kudva
DIN	00008177	02410695
Date of Birth	29-06-1950	06-12-1950
Date of first appointment	29-07-2005	31-07- 2009
Qualifications	Graduate in Mechanical Engineering from the University of Mysore	B.Com Hons. FCA
Brief Profile including expertise in specific functional areas	A Successful enterprenuer for more than three decades	38 years' experience in Accounting, Financial Management, Treasury Management and General Management
Terms and conditions of appointment/re-appointment	Non Independent Non-Executive Chairman	Independent Non-Executive Director
Details of remuneration last drawn during FY 2018-19	₹ 50,000/- by way of sitting fee	₹ 1,00,000/- by way of sitting fee
No. of Board Meetings attended during the year	4 out of 5 during the FY:2018-19	4 out 5 during the FY:2018-19
Relationship between Directors inter-se	He is not related to any Director or Key Managerial Personnel of the Company	He is not related to any Director or Key Managerial Personnel of the Company
No. of shares held in the Company	Nil	Nil
List of other companies in which directorship held as on 31st March, 2019 (excluding Foreign, Private and Section 8 Companies)	1.Nagarjuna Oil Refinery Limited 2.Ikisan Limited 3. Nagarjuna Oil Corporation Limited 4.Jaiprakash Engineering And Steel Company Limited 5.Nagarjuna Corporation Limited 6.K V K Raju International Leadership Limited	1.NACL Industries Limited 2.Nagarjuna Oil Corporation Limited
Positions currently held as Chairperson/ Member of the mandatory committees of the Board of the other Companies on which he is a Director as on 31 <sup>st</sup> March, 2019	2 Memberships #	2 Chairmanships # 1 Membership #

# Only Membership and Chairmanship in Audit Committee and Stakeholders' Relationship Committee have been considered for committees of the Board in other companies.

### Details of Directors seeking appointment at the AGM

Name of the Director	Mr. Ketan Chamanlal Budh	Mr. G.S.V. Krishna Rao	Mrs. A. Lakshmi Sowjanya
DIN	01740025	08199210	06762052
Date of Birth	06.03.1971	02.07.1957	15.03.1985
Date of first appointment	14.05.2019	13.11.2018	14.08.2018
Qualifications	B.Com	B.Com, CAIIB	M.C.A, ACS, L.L.B
Brief Profile including expertise in specific functional areas	He is currently holding the position of Business Development Head in the Company. Earlier, he worked for a leading Indian agrochemical company, Sulphur Mills Ltd for more than two decades in a senior capacity. Handled business with some highly reputed Agrochemical Industries and he was also involved in shaping many fundamental systems and policies for that company which over the years helped achieve tremendous growth .	Over 30 years' experience in Corporate Banking, Industrial Finance and Commercial Banking as a retired General Manager of a Nationalized Bank. Possesses vast knowledge in Finance and HR related matters.	Possesses experience in Legal and secretarial compliance matters relating to Companies Act, SEBI and FEMA Regulations.
Terms and conditions of appointment/re-appointment	Whole time Director	Independent, Non-Executive Director	Independent, Non-Executive Director
Details of remuneration last drawn during FY 2018-19	₹ 18.00 lakhs	₹ 30,000/- by way of sitting fee.	₹ 70,000/- by way of sitting fee.
No. of Board Meetings attended during the year	Not applicable	3 out of 3 in the FY:2018-19	3 out of 4 in the FY:2018-19
Relationship between Directors inter-se	He is not related to any Director or Key Managerial Personnel of the Company.	He is not related to any Director or Key Managerial Personnel of the Company.	She is not related to any Director or Key Managerial Personnel of the Company.
No. of shares held in the Company	Nil	Nil	Nil
List of other companies in which directorship held as on 31 <sup>st</sup> March, 2019 (excluding Foreign, Private and Section 8 Companies)	Nil	Nil	Nil
Positions currently held as Chairperson/Member of the mandatory committees of the Board of the other Companies on which he/she is a Director as on 31 <sup>st</sup> March, 2019	Nil	2 Memberships# 1 Chairmanship#	Nil

# Only Membership and Chairmanship in Audit Committee and Stakeholders' Relationship Committee have been considered for committees of the Board in other companies.



## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of your Company together with the audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### Financial performance

The attached Financial Statements for the year ended 31.03.2019 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.

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Net Sales	38398.24	18330.91
Other income	59.41	76.83
PBDIT	4189.02	1235.76
Depreciation	(482.12)	(292.06)
Interest	(794.41)	(691.81)
Profit Before Exceptional Items and Tax	2912.49	251.89
Exceptional Items	-	(827.12)
Profit after Exceptional Items and before Tax	2912.49	(575.23)
Provision for tax (Incl. deferred tax)	(1083.83)	445.06
Profit after tax	1828.66	(130.17)
Earnings per share (EPS)	22.53	(2.09)
Diluted (EPS)	22.01	(2.02)

### Performance review

The sales revenue for FY 2018-19 was ₹ 383.98 Crore, higher by 109.64 percent over the previous year's sales revenue of ₹ 183.31 Crore in FY 2017-18. The PAT attributable to shareholders for FY 2018-19 was ₹ 18.29 Crore as compared to the previous year's net loss of ₹ 1.3 Crore.

### Dividend

Based on the Company's performance, the Directors have recommended a dividend of ₹ 2/- per equity share of Rupees 10/- each for the FY 2018-19. The payout by way of dividend on equity shares including dividend distribution tax, if approved by the members for FY 2018-19 would be ₹ 1.95 crore, resulting in a cash out flow of 10.66 percent of the net profit of the Company.

### Transfer to reserves

The closing balance of the retained earnings of the Company for FY 2018-19, after all appropriation and adjustments is ₹ 119.76 Crore.

### Share capital

During the year, the company has allotted 5,16,000 equity shares upon the conversion of 5,16,000 convertible warrants on preferential basis to promoter group each at a price of ₹ 181/- (Including premium of ₹ 171/-). The paid up capital of the company has increased from ₹ 7,79,37,000 to ₹ 8,30,97,000 divided into 83,09,700 equity shares of ₹ 10/- each.

## **Material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

## **Subsidiaries, Associates and Joint Ventures**

Our Company has no subsidiaries, associates or joint ventures.

## **Directors and Key Managerial Personnel**

None of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Independent Directors have submitted confirmations as provided under section 149(7) of the Act.

## **Cessation or Change in Directors**

Mr. D. Ranga Raju (DIN: 00066546), Chairman and Independent Non-Executive Director of the Company has resigned as Director during the year under review. Your directors place on record their deep appreciation of the immense contributions made by Mr. D.Ranga Raju for more than two decades for the growth of the Company.

On the recommendations of the Nomination and Remuneration Committee, the Board appointed Mrs. A.Lakshmi Sowjanya and Mr. G.S.V.Krishna Rao as additional Independent Directors of the Company with effect from 14<sup>th</sup> August, 2018 and 13<sup>th</sup> November, 2018 respectively.

Mr. Sudhakar Kudva is being proposed for re-appointment as Independent Director for a second term.

On the recommendations of the Nomination and Remuneration Committee, the Board appointed Mr. Ketan Chamanlal Budh as Whole time Director and Mr. A. Arvind Kumar as Chief Executive Officer of the Company with effect from 14<sup>th</sup> May, 2019.

## **Key Managerial Personnel ('KMP')**

Mr. B. Murali resigned as Chief Financial Officer of the company during the year under review. The Board, on the recommendation of the NRC, appointed Mr. B.Krishna Mohan Rao as Chief Financial Officer of the Company with effect from 14<sup>th</sup> August, 2018.

In terms of Section 203 of the Act, the following are the KMPs of the Company:

Mr. S. Chandra Sekhar, Managing Director

Mr. Ketan Chamanlal Budh, Whole time Director (w.e.f 14<sup>th</sup> May, 2019)

Mr. A. Arvind Kumar, Chief Executive Officer (w.e.f 14<sup>th</sup> May, 2019)

Mr. B. Krishna Mohan Rao, Chief Financial Officer (w.e.f 14<sup>th</sup> August, 2018)

Mrs. B.N.Suvarchala, Company Secretary

## **Auditors and Auditors' Report**

### **Statutory Auditors**

M/s. S. Singhvi & Co., Chartered Accountants were appointed as the statutory auditors at the Annual General Meeting held on 27<sup>th</sup> September, 2017 for a term of five (5) years from the conclusion of the 24<sup>th</sup> annual general meeting till the conclusion of 29<sup>th</sup> Annual General Meeting. The Auditors' report does not contain any qualification, reservation or adverse remark.



### Cost Auditors

As per Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules as amended from time to time, the cost records are required to be audited. Based on the recommendation of the Audit Committee, your Board has appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad as cost auditors for the financial year 2019-20. Necessary resolution for ratification of their remuneration is being placed for members' approval.

### Secretarial Auditors

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Naresh Tiwari & Associates, Company Secretaries to undertake the secretarial audit of the Company for the financial year 2018-19. The Secretarial Audit Report in Form MR-3 received from them is annexed herewith as **Annexure I**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board of Directors approved the appointment of M/s. RPR & Associates, Practicing company secretaries to undertake the Secretarial Audit of the Company for the financial year 2019-20.

### Corporate Governance

The report on corporate governance for the year ended 31<sup>st</sup> March, 2019 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as **Annexure II**. The certificate from practicing Chartered Accountant regarding the compliance of conditions of corporate governance is attached to the report on corporate governance.

### Management Discussion and Analysis

Management discussion and analysis report, highlighting the performance and prospects of the Company's business is provided in a separate section

### 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 as 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 for the financial year ended 31<sup>st</sup> March, 2019 and the Profit 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.

### **Extract of the Annual Return**

The extract of the Annual Return pursuant to Section 134(3) (a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014 in the prescribed form MGT-9 is annexed herewith as **Annexure III**.

### **Number of Meetings of the Board**

During the year, five meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

### **Committees of the Board**

In compliance with the provisions of Sections 135, 177, 178 of the Act, the Board constituted Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The details of composition of the Committees, their meeting and attendance of the members are given in the Corporate Governance Report forming an integral part of this report.

### **Corporate Social Responsibility (CSR)**

During the year, the provisions relating to CSR policy under 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.

However, Pursuant to section 135 of the Companies Act, 2013, the Board has constituted its CSR Committee at its meeting held on 14th May, 2019. The Committee comprised of 3 (three) Members out of which 1 (one) was Independent Non-Executive Director.

### **Nomination and Remuneration Policy**

The Board has, on the recommendation of Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Nomination and Remuneration Policy adopted by the Board is available on the Company's website at

<http://www.bhagirad.com/reports/policy/Nominationandremunerationpolicy.pdf>

### **Evaluation of the Board**

Pursuant to the provisions of the Act, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of the Directors individually and of the committees of the Board.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board. The performance of the Directors was evaluated on parameters such as level of engagement and contribution in safeguarding the interest of the Company etc.

The performance evaluation of all Directors including the Independent Directors was carried out by the entire Board. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

### **Familiarization Programme for Directors**

A handbook covering the roles, functions, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Act, and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were given and explained to the new Directors.



The newly appointed Directors are given induction and orientation with respect to Company's Vision, Core purpose, Core Values and business operations. In addition, detailed presentations are made by Senior Management Personnel on business environment, performance of the Company at every Board Meeting.

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates and enable the Directors to fulfill their role/responsibility.

### **Particulars of loans, guarantees and investments**

The Company has not given any loans, guarantees or securities in connection with loans or made any investments falling within the ambit of Section 186 of the Act.

### **Transactions with the Related Parties**

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is given in **Annexure IV** in Form No. AOC-2 and the same forms part of this report.

### **Internal Controls**

The Company has put in place adequate system of internal controls commensurate with its size and the nature of its operations. The Company's internal control system covers the following aspects:

- Financial propriety of business transactions.
- Safeguarding the assets of the Company.
- Compliance with prevalent statutes, regulations, management authorization, policies and procedures.

The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time

### **Risk Management**

During the year, the risk assessment parameters were reviewed and modified. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.

### **Deposits from Public**

The Company has not accepted any deposits from the public falling within the ambit of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. There are no outstanding deposits as on 31<sup>st</sup> March, 2019.

### **Particulars of Remuneration**

The information required pursuant to Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as **Annexure V**.

### **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 - VI**.

### **Regulatory Orders**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

### **Prevention of the Sexual Harassment of Women at workplace**

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

During the financial year 2018-19, no complaint was received under the policy.

### **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 processes.

### **Health, Safety and Environment protection**

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 focussed on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

### **Awards and Recognition**

During the year under review, Your Company has received the award for Export Excellence in Medium Scale Units from Pesticides Manufacturers and Formulators Association of India.

### **Industrial relations**

During the year under review, industrial relations remained cordial and stable. The directors wish to place on record their sincere appreciation of the co-operation received from employees at all levels.

### **Acknowledgement**

The Board of Directors takes this opportunity to place on record its appreciation for the unstinted co-operation, commitment and dedication of all the employees of the Company and the support extended by the channel partners, customers, vendors, business associates, banks, government authorities and all concerned without which it would not have been possible to achieve all round growth of the Company. The Directors are thankful to the shareholders for their continued patronage.

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

Place: Hyderabad  
Date: 14.05.2019

**K.S. Raju**  
Chairman  
(DIN : 00008177)



## Annexures to the Directors' Report

### ANNEXURE- I

#### Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2019

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

To  
The Members,  
M/s. **BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED**

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

Based on our verification of the M/s. BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We, hereby report that, in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)
  - (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 Weights & Measures 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,**

During the audit period, BSE (Bombay Stock Exchange) has levied a fine of ₹ 42,000/- plus GST for non-compliance of Regulation 34 (1) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **NARESH TIWARI AND ASSOCIATES**  
**COMPANY SECRETARIES**

Place: Hyderabad.

Date: 14.05.2019

**CS. NARESH TIWARI**

ACS-26932, CP-12889

## Annexure - A

To  
The Members,

### **BHAGIRADHA CHEMICALS AND INDUSTRIES LIMITED**

#### **Our report of even date is to be read along with this letter.**

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **NARESH TIWARI AND ASSOCIATES**  
**COMPANY SECRETARIES**

Place: Hyderabad.  
Date: 14.05.2019

**CS. NARESH TIWARI**  
ACS-26932, CP-12889



## Corporate Governance Report

### Company's philosophy on code of governance:

The Company's philosophy on corporate governance is to ensure business strategies and fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). The Company's corporate governance philosophy has been further strengthened by adopting the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code").

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable to corporates.

### Board of Directors:

- i. As on 31<sup>st</sup> March, 2019, the Company has seven Directors. Of the seven Directors, 6 (i.e. 85.7 percent) are Non-Executive Directors out of which 3 (i.e. 42.85 percent) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2019 have been made by the Directors. None of the Directors is related to each other except Mrs. S. Lalitha Sree and Mr. S. Chandra Sekhar.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed there under. In terms of Regulation 25(8) of SEBI Listing Regulations, declarations were received from the Independent Directors and the Board of Directors has confirmed that all the independent Directors meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- iv. Five Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: 26<sup>th</sup> May, 2018; 14<sup>th</sup> August, 2018; 13<sup>th</sup> November, 2018; 20<sup>th</sup> December, 2018 and 28<sup>th</sup> January, 2019. The necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31<sup>st</sup> March, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonships and memberships of the Audit Committee and Stakeholders' Relationship Committee, have been considered as per Regulation 26(1) (b) of SEBI Listing Regulations.

Name of Director	Category	Attendance at Board Meetings		No of Directorships in listed entities including this listed entity	Number of memberships / chairmanships in Audit / Stakeholder Committee(s) including this listed entity		Whether present at the previous AGM
		Held	Attended		Chairman	Member	
Mr.D. Ranga Raju*	Chairman, Independent Non-Executive	1	1	-	-	-	NA
Mr.K.S. Raju **	Chairman, Non-Executive	5	4	2	-	2	No
Mr.S.Chandra Sekhar	Promoter, Managing Director	5	5	-	-	-	Yes
Mr. Sudhakar Kudva	Independent, Non-Executive	5	4	2	2	1	Yes
Mr. D. Sadasivudu	Promoter, Non Executive	5	4	-	-	1	Yes
Mrs. S. Lalitha Sree	Promoter group, Non-Executive	5	4	-	-	-	Yes
Mrs. A. Lakshmi Sowjanya***	Independent, Non-Executive	4	3	-	-	-	NA
Mr.G.S.V. Krishna Rao****	Independent, Non-Executive	3	3	-	1	1	NA

\* Relinquished the position of Chairman and Independent Director of the Company w.e.f. 14.06.2018.

\*\*Elected as Non- Executive Chairman of the Company w.e.f 14.08.2018.

\*\*\* Appointed as an Additional and Independent Director W.e.f. 14.08.2018.

\*\*\*\*Appointed as an Additional and Independent Director w.e.f. 13.11.2018.

**Details of Directorships of the aforesaid Directors in other listed entities are given below.**

Sl No	Name of the Director	Name of the listed entity	Category
1.	K.S Raju	Nagarjuna Oil Refinery Limited	Non Executive, Non-Independent
2.	Sudhakar Kudva	NACL Industries Limited	Non Executive, Independent

- vi. During FY 2018-19, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- vii. During FY 2018-19, one meeting of the Independent Directors was held on 28<sup>th</sup> January, 2019. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.



viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.

ix. Details of equity shares of the Company held by the Directors as on 31<sup>st</sup> March, 2019 are given below

<b>Name</b>	<b>Category</b>	<b>No of equity shares</b>
S. Chandra Sekhar	Promoter Executive	12,87,300
D. Sadasivudu	Promoter Non-Executive	63,600
S. Lalitha Sree	Promoter Group Non-Executive	60,000

x. The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

## Committees of the Board

There are three statutory Board Committees as on 31<sup>st</sup> March, 2019 details of which are as follows.

Name of the Committee	Extract of the terms of reference	Category and Composition		Other details
		Name	Category	
<b>Audit Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act</p> <ul style="list-style-type: none"> <li>• Oversight of financial reporting process.</li> <li>• Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.</li> <li>• Evaluation of internal financial controls and risk management systems.</li> <li>• Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li> <li>• Approve policies in relation to the related party transactions and to supervise implementation of the same.</li> </ul>	Sudhakar Kudva(Chairman)	Independent Non-Executive	<ul style="list-style-type: none"> <li>• Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.</li> <li>• Committee invites such of the executives (particularly the head of the finance function), representatives of the statutory auditors and internal auditors, as it considers appropriate, to be present at its meetings.</li> <li>• The Company Secretary acts as the Secretary to the Audit Committee.</li> <li>• Quarterly Reports are sent to the members of the Committee on matters subject to the compliance of Insider Trading Code.</li> <li>• The previous AGM of the Company was held on 14<sup>th</sup> August, 2018 and was attended by Sudhakar Kudva, Chairman of the Audit Committee.</li> </ul>
		S. Chandra Sekhar	Executive Director	
		D. Ranga Raju*	Independent Non-Executive	
		A. Lakshmi Sowjanya **	Independent Non-Executive	
		G.S.V Krishna Rao***	Independent Non-Executive	
		<p>* Relinquished the position of Independent Director and ceased to be a member of this Committee w.e.f. 14.06.2018.  ** Appointed as a member of the Committee w.e.f. 14.08.2018 till 28.01.2019.  *** Appointed as a member of the Committee w. e. f. 28.01.2019.</p>		



Name of the Committee	Extract of the terms of reference	Category and Composition		Other details
<b>Nomination and Remuneration Committee</b>	Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act. <ul style="list-style-type: none"> <li>Recommend to the Board the setup and composition of the Board and its committees.</li> <li>Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.</li> <li>Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.</li> <li>Oversee familiarization programs for Director.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>One Nomination and Remuneration Committee meeting was held during the year under review.</li> <li>Details of Performance Evaluation Criteria and Remuneration Policy are provided herein below.</li> </ul>
		Sudhakar Kudva (Chairman)	Independent Non-Executive	
		K.S.Raju	Non-Executive Non-Independent	
		D. Ranga Raju*	Independent Non-Executive	
		A.Lakshmi Sowjanya **	Independent Non-Executive	
<b>Stake Holders' Relationship Committee</b>	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. <ul style="list-style-type: none"> <li>Consider and resolve the grievances of security holder.</li> <li>Consider and take note on the issue of share certificates, transfer and transmission of securities, etc.</li> </ul>	<b>Name</b>	<b>Category</b>	One meeting of the Stakeholders' Relationship Committee was held during the year under review. <ul style="list-style-type: none"> <li>The Company has always valued its customer relationships. This philosophy has been extended to investor relationship, focusing on servicing the needs of various stakeholders viz. investors, analysts, brokers and the general public.</li> <li>Details of Investor complaints and Compliance Officer are provided herein below.</li> </ul>
		G.S.V. Krishna Rao*** (Chairman)	Independent Non-Executive	
		D. Sadasivudu	Non-Executive Non-Independent	
		D. Ranga Raju*	Independent Non-Executive	
		A. Lakshmi Sowjanya **	Independent Non-Executive	
Sudhakar Kudva	Independent Non-Executive			

\* Relinquished the position of Independent Director and ceased to be a member of this Committees w.e.f. 14.06.2018

\*\* Appointed as a member of the Committees w. e. f. 14.08.2018 till 28.01.2019

\*\*\* Appointed as a member and chairman of the Committees w. e. f. 28.01.2019

## Stakeholders' Relationship Committee - other details:

### a. Name, designation and address of Compliance Officer:

B.N. Suvarchala  
Company Secretary  
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

### b. Details of investor complaints received and redressed during FY 2018-2019 -Nil.

## Nomination and Remuneration Committee - other details

Performance Evaluation Criteria for Independent Directors: The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

**Nomination/Remuneration Policy:** The compensation of the Executive Directors comprises of fixed component, perquisites and performance based incentive and is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Nomination and Remuneration Committee. The Board shall recommend the same for the approval of the Shareholders. The nomination and remuneration policy as adopted by the Board is placed on the Company's website. <http://www.bhagirad.com/reports/policy/Nominationandremunerationpolicy.pdf>

## Details of the Remuneration for the year ended 31<sup>st</sup> March, 2019:

### a. Non-Executive Directors

(in ₹)

SI No	Name	Sitting Fee
1.	D. Ranga Raju *	30,000
2.	K.S. Raju	50,000
3.	Sudhakar Kudva	1,00,000
4.	D. Sadasivudu	30,000
5.	S. Lalitha Sree	40,000
6.	A. Lakshmi Sowjanya**	70,000
7.	G.S.V. Krishna Rao***	30,000

\* Relinquished the position of Independent Director and ceased to be a member of this Committee w.e.f. 14.06.2018

\*\* Appointed as a member of the Committee w. e. f. 14.08.2018 till 28.01.2019

\*\*\* Appointed as a member of the Committee w. e. f. 28.01.2019

### b. Managing Director

(₹ In lakh)

Name	S. Chandra Sekhar
Salary	36.00
Benefits, Perquisites and Allowances	2.59
Commission	18.28
<b>Total</b>	<b>56.87</b>



### Number of committee meetings held and attendance records

Particulars	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee
No of Meetings held	4	1	1
Date of Meetings	May 26,2018; August 14, 2018; November 13, 2018 and January 28, 2019	14 August, 2018	May 26, 2018
<b>No. of Meetings Attended</b>			
Name of the Member			
Sudhakar Kudva	4	1	1
S. Chandra Sekhar	4	-	-
D. Sadasivudu	-	-	-
K.S.Raju	-	1	-
D. Ranga Raju*	1	-	1
A. Lakshmi Sowjanya**	3	1	-
G.S.V. Krishna Rao***	-	-	-
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings		

\* Relinquished the position of Independent Director and ceased to be a member of these Committees w.e.f. 14.06.2018

\*\* Appointed as a member of the Committee w. e. f. 14.08.2018 till 28.01.2019

\*\*\* Appointed as a member of the Committee w. e. f. 28.01. 2019

### General Body Meetings

#### Annual General Meetings (AGM)

Financial Year	Date	Time	Venue	Special Resolutions passed during last 3 FYs
2015-2016	12.08.2016	11.00A.M	Hotel Green Park, Ameerpet, Hyderabad	Nil
2016-2017	26.09.2017			1. Adoption of MOA as per Companies Act ,2013 2. To approve the increase in borrowing limits
2017-2018	14.08.2018			Nil

There was no Extra Ordinary General Meeting or postal ballot during the year.

**Means of Communication:** Quarterly results approved by the Board are usually published in Business Standard (English) and Praja Shakti/Andhra Prabha/Nava Telangana /Mana 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](http://www.bhagirad.com) . No presentations have been made to institutional investors or to analysts.

The Annual General Meeting is the principal forum for face to face communication with shareholders, where the Directors / Senior Management personnel / Auditors / CFO respond to the specific queries of the shareholders.

## General shareholder information

Day, Date, time and venue of the Annual General Meeting	Friday, 09 <sup>th</sup> August, 2019 at 11.00 a.m. at Hotel Green park, Greenlands, Ameerpet, Hyderabad-500016
Financial year	April to March
Listing of shares on stock exchange	BSE Limited (BSE) Listing Fees as applicable has been paid
Book Closure	03 <sup>rd</sup> August , 2019 to 09 <sup>th</sup> August , 2019 (both days inclusive)
Dividend Payment Date	Final Dividend on or Before 06 <sup>th</sup> September, 2019
Scrip Code, (ISIN)	531719, INE414D01019
Corporate Identification Number(CIN)	L24219TG1993PLC015963
Market Price Data-High, Low during each month in last Financial year	Please refer Annexure A
Performance of the Company's share price vis-à vis-Sensex	Please refer Annexure A
Registrar and Share Transfer Agents (RTA)	For shares related matters, the shareholders are requested to correspond with the RTA of the Company quoting their Folio Number or Client ID and DP ID at the following address <b>XL Softech Systems Limited</b> 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 : <a href="mailto:xlfield@gmail.com">xlfield@gmail.com</a>
Share Transfer System	All the valid transfers received are processed and approved by the Share Transfer Agent
Distribution of Shareholding and Shareholding Pattern as on March 31, 2019	Please refer Annexure B
Dematerialization of Shares and Liquidity	99.65% of the equity shares of the Company were dematerialized as on 31 <sup>st</sup> March, 2019.
Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	No GDRs/ADRs/Warrants or convertible instruments are outstanding.
Credit Rating	CARE Rating has upgraded the credit rating to BBB-Stable for long term and CARE A3 for short term borrowings of the Company from banks.
Plant Location	Cheruvukommupalem (Village) Ongole (Mandal) Prakasam (District) Andhra Pradesh-523272
Address for Correspondence	<b>Bhagiradha Chemicals &amp; Industries Limited</b> 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 : <a href="mailto:info@bhagirad.com">info@bhagirad.com</a>



## Other Disclosures

### Reasons for Resignation of Independent Director

Sri D. Ranga Raju aged about 87 years who has been the Chairman of and Director on the Board of Bhagiradha Chemicals & Industries Ltd for more than two decades, resigned w.e.f 14.06.2018, in view of his advancing age. The Board of directors placed on record, appreciation for Sri. D Ranga Raju for his contribution in providing direction to the company and valuable guidance to the members of the Board during his tenure as Chairman of the Company.

**Confirmation by the Board of Directors regarding acceptance of recommendations of all Committees:** In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that, during the year, it has accepted all recommendations received from all its Committees.

**Disclosure of related party transactions:** All transactions entered into with related parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and Regulation 23 of the Regulations.

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the related party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are disclosed in the note 44 of notes forming part of the financial statements. The policy lays down the criteria for determining the materiality of transactions. The said policy has been posted on the Company's website at the following link <http://www.bhagirad.com/reports/policy/RelatedPartyTransactionsPolicy.pdf>

**Compliance(s) of matters relating to Capital Market:** The Company has complied with all applicable rules and regulations prescribed by stock exchange (BSE), Securities and Exchange Board of India (SEBI) or any other statutory authority relating to the capital markets. There was fine of ₹ 42,000/-levied by BSE for late submission of Annual Report for the FY: 2017-18 under Regulation 34(1) of Listing Regulations.

**Whistle Blower Policy/Vigil Mechanism:** The Company has established a whistle blower policy/vigil mechanism to provide an avenue to raise concerns. The mechanism provides, for adequate safeguards against victimization of employees who avail of it. The policy also lays down the process to be followed for dealing with complaints. The said policy has been posted on the Company's website at the following link <http://www.bhagirad.com/reports/policy/WhistleBlowerPolicy.pdf>

**Code of conduct for prevention of insider trading** The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading code which is applicable to all directors and designated employees lays down guidelines and procedures to be followed and disclosures to be made while dealing in the securities of the Company.

**Disclosure of commodity price risks and commodity hedging activities:** As the Company is not engaged in commodity business, commodity risk is not applicable. The foreign exchange risk is being managed/hedged to the extent considered necessary. The Company had not entered into any forward contracts for any foreign exchange risks during the year under review.

**The Company has complied with the requirements of sub-paras (2) to (10) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

## Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with the mandatory requirements of the Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With regard to the non-mandatory requirements, the Company has complied to the extent stated below:

a	Shareholder rights	Quarterly financial results are published in leading English newspapers, viz. The Business Line, Business Standard, Financial Express and vernacular language –Nava Telangana, Mana Telangana and Andhra Prabha. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.
b	Modified opinion(s) in Annual Report	The financial statements for the financial year ended 31 <sup>st</sup> March, 2019 were with unmodified audit opinion.
c	Separate post of Chairman	The Company has a separate post of Chairman.
d	Other Non-Mandatory Requirements:	The Company would be progressively adopting the other non-mandatory requirements.

## The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status(Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders' Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
46 (2)(b) to (i)	Disclosures on website	Yes

## Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013.

## Risk Management

During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.



During the year under review, the Company had converted 5,16,000 share warrants into as many equity shares and received an amount of ₹ 700.47 Lakhs on such conversion. Other than this, no money was raised through public issue, rights issue, preferential issue or any other issues.

**The Management Discussion and Analysis Report has been included separately forming part of the Annual Report.**

**PCS Certificate** A certificate has been received from Naresh Tiwari & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of any company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**Statutory Auditor Remuneration** S. Singhvi & Co., Chartered Accountants (Firm Registration No. 003872S) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis are given below:

Particulars	Amount In ₹
Statutory Audit fee	6,00,000 (Excluding GST)

#### Notice for shareholders/investors for unpaid dividends

Members who have not yet encashed their final dividend from the financial year 2013-14 onwards are requested to make their claims without any delay to M/s. XL Softech Systems Limited Registrar and Share Transfer Agents (RTA) of the Company for claiming the unclaimed/unpaid dividends.

Following table gives information relating to due dates for transfer of unclaimed/unpaid dividends to IEPF:

Financial Year	Date of Declaration of Dividend	Amount as on 31.03.2019 (In ₹)	Due Date for transfer to IEPF
2013-14	11-08-2014	81,386	09-09-2021
2014-15	08-08-2015	98,820	06-09-2022

All shareholders, whose dividend remains unpaid/ unclaimed, are requested to verify the same on the Company's website and lodge their claim to RTA by submitting an application in writing supported by a deed of indemnity immediately.

## Annexure-A

#### Market price data

The monthly high and low price quotations of the company's shares at the Bombay Stock Exchange Limited during the period from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019

Month	High	Low	Close	Volume
April 2018	325.00	271.05	299.95	46,591
May 2018	300.00	265.00	277.25	45,053
June 2018	333.00	206.00	329.50	27,24,790
July 2018	439.00	280.00	428.35	6,73,631
August 2018	522.30	449.75	485.20	3,69,121
September 2018	513.70	388.00	388.00	90,393
October 2018	435.95	368.60	399.50	1,07,683
November 2018	474.30	395.25	443.80	1,27,313
December 2018	458.00	420.00	449.45	1,72,675
January 2019	468.95	406.00	421.90	66,531
February 2019	440.00	373.10	410.90	73,003
March 2019	539.80	410.00	493.90	2,04,626

Performance of the share price of the company in comparison to BSE Sensex for the period 1st April, 2018 to 31st March, 2019 is given below:

Month	BCIL CLOSE share price at BSE	BSE SENSEX Close	Relative index for Comparison purpose	
			BCIL Share Price at BSE	BSE SENSEX
April 2018	299.95	35,160.36	107.92	106.65
May 2018	277.25	35,322.38	99.75	107.14
June 2018	329.50	35,423.48	118.55	107.45
July 2018	428.35	37,606.58	154.11	114.07
August 2018	485.20	38,645.07	174.56	117.22
September 2018	388.00	36,227.14	139.59	109.88
October 2018	399.50	34,442.05	143.73	104.47
November 2018	443.80	36,194.30	159.67	109.78
December 2018	449.45	36,068.33	161.70	109.40
January 2019	421.90	36,256.69	151.79	109.97
February 2019	410.90	35,867.44	147.83	108.79
March 2019	493.90	38,672.91	177.69	117.30

Source: bseindia.com





## Annexure-B

### Distribution of shareholding as on 31<sup>st</sup> March, 2019

Sl. No.	Shareholding of nominal value	Number of shareholders	percentage of shareholders	Amount of shareholding (₹)	percentage of shares held
1	up to 5000	1561	79.36	18,70,370	2.25
2	5001-10000	149	7.57	12,19,060	1.47
3	10001-20000	86	4.37	12,88,430	1.55
4	20001-30000	42	2.14	10,51,800	1.27
5	30001-40000	13	0.66	4,77,880	0.58
6	40001-50000	22	1.12	10,31,650	1.24
7	50001-100000	39	1.98	29,28,370	3.52
8	Above 100000	55	2.80	7,32,29,440	88.13
	<b>Total</b>	<b>1967</b>	<b>100.00</b>	<b>8,30,97,000</b>	<b>100.00</b>

### Details of Shareholding in physical mode and electronic mode as on 31<sup>st</sup> March, 2019

Sl.No	Description	No of shares	% of equity
1	Physical	29,531	0.35
2	NSDL	59,73,190	71.88
3	CDSL	23,06,979	27.77
	<b>Total</b>	<b>83,09,700</b>	<b>100.00</b>

### Categories of Shareholding as on 31<sup>st</sup> March 2019:

Category	No. of shares held	No. of shareholders	% to Equity
Promoters & PAC	20,69,183	10	24.90
Body Corporate	21,76,588	67	26.19
Indian Public	38,33,829	1852	46.14
Non Resident Indian	23,096	29	0.28
Clearing Members	7,004	8	0.08
FPI	2,00,000	1	2.41
<b>Total</b>	<b>83,09,700</b>	<b>1967</b>	<b>100.00</b>

\*49,100 shares have been forfeited, hence not included in the total shareholding

### Top ten equity shareholders of the Company as on March 31, 2019:

Sr. No.	Name of the Shareholder	Number of equity shares held	Percentage of holding
1	S.Chandra Sekhar	12,87,300	15.49
2	Ratnabali Investment Private Limited	11,25,000	13.54
3	R.Venkata Narayana	6,00,000	7.22
4	IL And FS Securities Private Limited	5,00,750	6.03
5	Mukul Mahavir Agarwal	5,00,000	6.02
6	Siddarth Iyer	4,00,000	4.81
7	Chetan Shantilal Shah	3,82,000	4.60
8	Dipesh Kantisen Shroff	2,37,760	2.86
9	Polus Global Fund	2,00,000	2.40
10	Jayshri Jesrani	1,00,000	1.20

For and on behalf of the Board of Directors

Place: Hyderabad

Date: 14.05.2019

**K.S. Raju**

Chairman

(DIN : 00008177)

## **DECLARATION ON CODE OF CONDUCT.**

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 31<sup>st</sup> March, 2019 from all the Board members and senior Management Personnel.

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

Place: Hyderabad

Date: 14.05.2019

**S. Chandra Sekhar**

Managing Director

## **MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION**

We, S. Chandra Sekhar, Managing Director and B.Krishna Mohan Rao, Chief Financial officer of Bhagiradha Chemicals & Industries Limited, to the best of our knowledge and belief, certify that:

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

Place: Hyderabad

Date: 14.05.2019

**S. Chandra Sekhar**

Managing Director

**B. Krishna Mohan Rao**

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 Limited**

We have examined the compliance of the conditions of Corporate Governance by Bhagiradha Chemicals & Industries Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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 and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Hyderabad  
Date: 14.05.2019

**Shailendra Singhvi**  
Proprietor  
M.No.023125

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**For the financial year ended as on 31.03.2019**

[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	:	L242191993TGPLC015963
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 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.	Agrochemicals	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	-	-	-	-	-



#### 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	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	15,53,183	-	15,53,183	19.92	16,83,183	-	16,83,183	20.25	0.33
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	3,86,000	-	3,86,000	4.64	4.65
d) Bank/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	15,53,183	-	15,53,183	19.92	20,69,183	-	20,69,183	24.90	4.98
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Promoter Shareholding (A)= (A) (1)+(A)(2)</b>	15,53,183	-	15,53,183	19.92	20,69,183	-	20,69,183	24.90	4.98
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPI)	2,00,000	-	2,00,000	2.57	2,00,000	-	2,00,000	2.41	(0.16)
<b>SUB TOTAL (B)(1):</b>	2,00,000	-	2,00,000	2.57	2,00,000	-	2,00,000	2.41	(0.16)

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	
<b>2. Non Institutions</b>									
<b>a)</b> Bodies corporate(India)	26,02,390	8,900	26,11,290	33.51	21,74,692	8,900	21,83,592	26.28	(7.23)
Bodies corporate(overseas)	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital up to ₹1 lakhs	6,55,520	37,131	6,92,651	8.89	8,21,242	20,631	8,41,873	10.13	1.24
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	22,29,955	-	22,29,955	28.61	29,91,956	-	29,91,956	36.01	7.49
<b>c) Any other (Specify) NRIs</b>	6,621	-	6,621	0.09	23,096	-	23,096	0.28	0.19
<b>Clearing Members</b>	-	-	-	-	-	-	-	-	-
<b>HUF</b>	5,00,000	-	5,00,000	6.42	-	-	-	-	(6.42)
<b>SUB TOTAL (B)(2):</b>	59,94,486	46,031	60,40,517	77.51	60,10,986	29,531	60,40,517	72.69	(4.82)
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	61,94,486	46,031	62,40,517	80.07	62,10,986	29,531	62,40,517	75.10	(4.97)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	77,47,669	46,031	77,93,700	100	82,80,169	29,531	83,09,700	100	6.62



## 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	S. Chandra Sekhar	11,57,300	14.84	8.54	12,87,300	15.49	8.01	0.65
2.	Greenpath Energy Private Limited	-	-	-	3,86,000	4.64	-	4.64
3	E. Jayalaxmi	2,00,213	2.57	-	2,00,213	2.41	-	(0.16)
4	D. Sadasivudu	63,600	0.82	-	63,600	0.77	-	(0.05)
5	S. Lalitha Sree	60,000	0.77	-	60,000	0.72	-	(0.05)
6	K. Rama Krishna	25,000	0.32	-	25,000	0.30	-	(0.02)
7	K. Sri Lakshmi	24,500	0.31	-	24,500	0.29	-	(0.02)
8	T. Kalyan Chakravarthi	10,000	0.13	-	10,000	0.12	-	(0.01)
9	K. Baby	10,000	0.13	-	10,000	0.12	-	(0.01)
10	P. Vijayalakshmi	2,570	0.03	-	2,570	0.03	-	-
	<b>Total</b>	<b>15,53,183</b>	<b>19.93</b>	<b>8.54</b>	<b>20,69,183</b>	<b>24.90</b>	<b>8.01</b>	<b>4.97</b>

## (iii) Change in Promoters Shareholding

Sl. No.	For Each of the Directors and KMP	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	11,57,300	14.84	14.08.2018	1,30,000	Conversion of warrants	12,87,300	15.49
2.	Greenpath Energy Private Limited	-	-	14.08.2018	3,86,000	Conversion of warrants	3,86,000	4.64

**(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.	Ratnabali Investment Private Limited	-	-	11,25,000 Bought from market on 27.06.2018	13.54
2.	R Venkata Narayana	6,00,000	7.70	600,000	7.22
3.	IL and FS Securities Services Limited	-	-	5,00,750 Shares acquired as pledge on 15.02.2019	6.03
4.	Mukul Mahavir Agrawal	5,00,000	6.42	5,00,000	6.02
5.	Siddharth Iyer	4,00,000	5.13	4,00,000	4.81
6.	Chetan Shantilal Shah	-	-	3,82,000 Bought from market on 27.06.2018	4.60
7.	Dipesh Kantisen Shroff	-	-	2,37,760 Bought from market on 27.06.2018	2.86
8.	Polus Global Fund	2,00,000	2.57	2,00,000	2.41
9.	Angel Holdings Pvt Ltd	1,14,000	1.46	112,834	1.36
10.	Jayshri Jesrani	2,00,000	2.57	1,00,000 1,00,000 shares sold in market on 24.12.2018	1.20

**(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	11,57,300	14.84	12,87,300	15.49
2.	S. Lalitha Sree	60,000	0.77	60,000	0.72
3.	D. Sadasivudu	63,600	0.81	63,600	0.77



## V. 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	16,36,71,778	13,79,90,697	-	30,16,62,475
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>16,36,71,778</b>	<b>13,79,90,697</b>	<b>-</b>	<b>30,16,62,475</b>
Change in Indebtedness during the financial year				
Addition	-	1,85,00,000	-	1,85,00,000
Reduction	6,36,81,047	12,25,54,037	-	18,62,35,084
<b>Net Change</b>	<b>(6,36,81,047)</b>	<b>(10,40,54,037)</b>	<b>-</b>	<b>(16,77,35,084)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	9,99,90,731	3,39,36,660	-	13,39,27,391
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9,99,90,731</b>	<b>3,39,36,660</b>	<b>-</b>	<b>13,39,27,391</b>

## VI. 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	38,59,200	38,59,200
	(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 At, 1961	-	-
2.	Stock option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profits	18,28,658	18,28,658
	- others	-	-
5.	Others	-	-
	<b>Total A</b>	<b>56,84,858</b>	<b>56,84,858</b>
	Ceiling as per the Act	₹ 91,45,000/- (Section 196 & 197 read with schedule V)	

**B. REMUNERATION TO OTHER DIRECTORS**

₹

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		D. Ranga Raju	Sudhakar Kudva	A. Lakshmi Sowjanya	G.S.V. Krishna Rao	
1.	1. Independent Directors					
	o Fee for attending board / committee meetings	30,000	1,00,000	70,000	30,000	2,30,000
	o Commission	-	-	-	-	-
	o Others	-	-	-	-	-
	<b>Total (1)</b>	<b>30,000</b>	<b>1,00,000</b>	<b>70,000</b>	<b>30,000</b>	<b>2,30,000</b>

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		K.S Raju	D. Sadasivudu	S. Lalitha Sree	
2.	Other Non-Executive Directors				
	o Fee for attending board / committee meetings	50,000	30,000	40,000	1,20,000
	o Commission	-	-	-	-
	o Others	-	-	-	-
	<b>Total (2)</b>	<b>50,000</b>	<b>30,000</b>	<b>40,000</b>	<b>1,20,000</b>
	<b>Total (B) = (1)+(2)</b>				<b>3,50,000</b>

**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.Krishna Mohan Rao**	B.N. Suvarchala	
1.	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,93,120	33,35,952	14,62,761	6,67,190	59,59,023
	(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	-	-	-	-	-
	<b>Total A</b>	<b>4,93,120</b>	<b>33,35,952</b>	<b>14,62,761</b>	<b>6,67,190</b>	<b>59,59,023</b>

\*Mr. B. Murali has resigned as Chief Financial Officer at the close of office hours of 31.05.2018

\*\*Mr. B.Krishna Mohan Rao has been appointed as Chief Financial Officer of the Company w.e.f 14.08.2018



## **VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

During the period, BSE (Bombay Stock Exchange) has levied a fine of ₹ 42,000/- plus GST for late submission of annual Report under Regulation 34 (1) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The delay in filing annual report occurred due to malfunctioning of BSE website while uploading the report.

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

Place: Hyderabad

Date: 14.05.2019

**K.S. Raju**

Chairman

(DIN : 00008177)

**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.**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**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.**

<b>Particulars</b>	<b>Details</b>
Name (s) of the related party	NACL Industries Limited (Formerly known as Nagarjuna Agrichem Limited)
Nature of Relation ship	Mr. K S Raju, Chairman of the Company is interested
Nature of contracts / arrangements /transaction	Purchase and sale of goods
Duration of the contracts/ arrangements /transaction	On going
Salient terms of the contracts or arrangements or transaction	Mutual consent by the parties
Justification for entering into such contracts or arrangements or transactions	Business Requirements on regular basis.
Date of approval by the Board	14 <sup>th</sup> November, 2014.
Aggregate amount of transactions during the year (₹)	Sales: ₹ 11.42 Crore, Purchases: Nil

\*The members approved through postal ballot on 12<sup>th</sup> January, 2015 and authorized the Board (including Committees of the Board) to enter into transactions with NACL Industries Ltd up to ₹ 30 Crores in a financial year and all the appropriate approvals of the Board/Audit Committee have been taken for entering into transactions with NACL Industries Ltd. Please refer note 44 to the notes forming part of the financial statements for further information on transactions with NACL Industries Limited.

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

Place: Hyderabad  
Date: 14.05.2019

**K.S. Raju**  
Chairman  
(DIN : 00008177)



## ANNEXURE-V

### Information pursuant to Section 197 of the Act read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The Ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any for the financial year 2018-19:

Name of the Director/ Key Managerial Personnel	Ratio of the remuneration to the median remuneration of the employees	% increase/ (decrease) in remuneration
S. Chandra Sekhar, Managing Director	16.66	-
D. Ranga Raju, Independent Non-Executive Chairman*	0.13	-
Sudhakar Kudva, Non-Executive Independent Director	0.46	-
K.S.Raju, Non-Independent Non-Executive Chairman**	0.23	-
D. Sadasivudu Non-Independent Non-Executive Director	0.13	-
S. Lalitha Sree, Non-Independent Non-Executive Director	0.18	-
A. Lakshmi Sowjanya, Independent Non-Executive Director***	0.32	-
G.S.V. Krishna Rao, Independent Non-Executive Director****	0.13	-
A. Arvind Kumar, Chief Operating Officer	13.88	25
B.Krishna Mohan Rao, Chief Financial Officer#	10.00	-
B.N. Suvarchala, Company Secretary	2.77	25

\*Relinquished the position of Independent Director and chairman of the Company w.e.f. 14.06.2018.

\*\*Elected as a chairman of the Company w.e.f 14.08.2018.

\*\*\* Appointed as a member of the Board w. e. f. 14.08.2018.

\*\*\*\*Appointed as a member of the Board w. e. f. 13.11.2018.

# Appointed as Chief Financial officer of the Company w.e.f 14.08.2018.

- iii. The percentage increase in the median remuneration of employees in the financial year: 16.96%
- iv. There were 345 permanent employees on the rolls of the Company as on 31st March, 2019.
- v. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable
- vi. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

Place: Hyderabad

Date: 14.05.2019

**K.S. Raju**

Chairman

(DIN : 00008177)

## ANNEXURE- VI

### 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 power 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 31.03.2019	For the year ended 31.03.2018
<b>1. ENERGY CONSERVATION POWER &amp; FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
(i) purchased units (kwh)	1,69,41,880	1,13,56,490
Total amount (₹) (including demand charges)	11,36,29,330	8,26,79,871
Unit Rate (₹)	6.71	7.28
(ii) Own generation (on diesel)		
a) Diesel consumption (Ltrs)	55,200	36,800
No of units	1,65,600	1,10,400
Units/ Liter of Diesel	3.00	3.00
Total amount (₹)	40,52,582	23,93,992
unit cost (₹)	24.47	21.68
b) steam Turbine Generation		
No of units	Nil	Nil
Units/ton of Steam	Nil	Nil
Cost/Unit (₹)	Nil	Nil
<b>2. 'C' Grade coal used in Boiler</b>		
Quantity (MT)	20,547	13,800
Total Cost (₹)	14,12,04,206	8,54,75,401
Average Rate/MT	6,872	6,194
<b>3. Furnace oil</b>		
Quantity ( Ltrs)	43,110	2,000
Total cost (₹)	15,46,416	59,720
Average Rate/Ltrs	35.87	29.86
<b>4. Others /Internal Generation</b>		
Quantity (MT)	Nil	Nil
Total cost (₹)	Nil	Nil
Average Rate/MT	Nil	Nil
<b>II CONSUMPTION PER UNIT OF PRODUCTION(MT)</b>		
Electricity purchased & own Generation (units)	6,559	4,920
Furnace Oil (Ltrs)	16.52	0.75
Coal Quality 'C' Grade (MT)	7.88	5.92



## 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 form 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 2019- 2020 the company has
  - Continued to derive the benefit of Optimization of the existing processes.
  - Commercialized new herbicide intermediates.
  - Completed laboratory development of process technology for products proposed for exports which are expected to be commercialized in FY 2019-20.
- 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 2018-2019		₹ In Lakhs
Capital		6.71
Recurring		86.91
<b>Total</b>		<b>93.62</b>
R&D expenditure as a percentage of total turnover		0.24

### 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 equipment 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) Benefits derived as a result of above efforts
  - Improvement in the quality of products.
  - Reduction in cost of manufacture.
  - Commercialization of new products.
- 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 crore
Earnings		193.00
Outgo		60.31

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 14.05.2019

**K.S. Raju**  
Chairman  
(DIN : 00008177)

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of **Bhagiradha Chemicals & Industries Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2019, and the statement of Profit and Loss (including other comprehensive income), cash flows statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company in accordance with the **Code of Ethics** issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.No	Key Audit Matter	Auditor's Response
1	<p><b>Net Realisable value of Finished Goods</b></p> <p>Finished goods inventory are valued at lower of cost or net realizable value. Considering that there is always a volatility in the Selling price of the Agro-Chemicals, which is dependent upon various market conditions, determination of net realizable value for these chemicals involves significant management judgement and therefore has been considered as a key audit matter.</p> <p>The total value of finished goods (Agro chemicals) as at 31<sup>st</sup>March, 2019 is ₹ 30,15,83,894/- which is in accordance with the accounting policies referred to in Note no. 2.10(c).</p>	<ol style="list-style-type: none"> <li>1. Evaluated the design of internal controls relating to the management judgments and estimates relating to quantity, purity, fair value less costs to sell and also tested the operating effectiveness of the aforesaid controls.</li> <li>2. Obtained an understanding of the significant management judgements applied in determination of the quantity, purity and their fair value and assessed and tested the reasonableness of these judgements.</li> <li>3. Obtained the market information for the fair values and compared them with the rates considered by the management in determining the fair values.</li> <li>4. Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.</li> </ol>



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 interms 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 including other comprehensive income, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 as amended 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 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 has been no delay in transferring amounts, required to be transferred on account of unpaid dividend, to the Investor Education Protection Fund by the Company as at 31st March, 2019. However the Company is required to transfer 15,946 equity shares of face value of ₹ 10/- each as per the provisions of section 124(5) of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) and are yet to be transferred.

**For S Singhvi & Co.**

Chartered Accountants

Firm Regi. No. 003872S

**Shailendra Singhvi**

Proprietor

Membership No.023125/ICAI

Place: Hyderabad

Date: 14-05-2019

## 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 at reasonable intervals. 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) (b) and ( 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, Custom Duty, Goods & Service Tax, Cess and any other material 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 are no dues in respect of disputed amount to be deposited in respect of Custom Duty, Goods and Service Tax, Cess and other material Statutory dues as on 31<sup>st</sup> March,2019.
- viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to the financial institutions, bank, government or dues to debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, the company has not raised money by way of term loans or initial public offer or further public offer (including debt instruments) and hence reporting under clause (ix) of the Order is not applicable.
- 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 have 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 allotment of shares by way of converting 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 other applicable laws and regulations and the amount raised has been used for the purpose for which the funds 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

**Shailendra Singhvi**

Proprietor

Membership No.023125/ICAI

Place: Hyderabad

Date: 14.05.2019

## **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, 2019 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 were 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, 2019, 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

Place: Hyderabad

Date: 14.05.2019

Membership No.023125/ICAI

**BALANCE SHEET AS AT 31ST MARCH, 2019**

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PARTICULARS	NOTE.	AS AT	AS AT
		31-03-2019	31-03-2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment	3	1,05,81,43,727	76,64,41,031
Capital Work in Progress	4	3,38,52,552	-
Intangible Assets	5	7,28,787	87,797
Intangible Assets under development	6	45,78,076	43,95,800
Financial Assets			
Loans	7	2,14,04,125	2,13,91,125
Deposits & Others	8	82,95,115	78,28,428
Deferred tax assets (Net)	9	2,31,91,807	8,28,37,288
Other Non Current Assets	10	1,29,37,054	-
<b>Total Non Current Assets</b>		<b>1,16,31,31,242</b>	<b>88,29,81,470</b>
<b>Current assets</b>			
Inventories	11	57,51,44,461	96,67,33,281
Financial Assets			
Trade receivables	12	84,23,07,302	35,57,44,382
Cash and cash equivalents	13	2,30,56,811	3,44,27,200
Other bank balances	14	75,04,654	14,72,138
Deposits & Others	15	19,95,925	8,88,77,154
Current Tax Assets (Net)	16	2,55,014	9,78,396
Other Current Assets	17	12,28,14,736	9,93,76,035
<b>Total Current Assets</b>		<b>1,57,30,78,903</b>	<b>1,54,76,08,586</b>
<b>Total Assets</b>		<b>2,73,62,10,145</b>	<b>2,43,05,90,056</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	18	8,33,42,500	7,81,82,500
Other Equity	19	1,19,76,29,527	94,01,49,398
<b>Total Equity</b>		<b>1,28,09,72,027</b>	<b>1,01,83,31,898</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	20	6,66,49,059	11,78,02,213
Other Financial Liabilities	21	1,67,71,870	1,82,96,586
Provisions	22	570,417	88,85,273
<b>Total Non Current Liabilities</b>		<b>8,39,91,346</b>	<b>14,49,84,072</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	23	35,45,74,121	42,54,98,862
Trade payables	24	82,50,15,737	65,53,30,213
Other Financial Liabilities	25	17,17,92,920	18,37,25,702
Other current liabilities	26	48,53,158	27,19,308
Current Tax Liabilities	27	1,50,10,836	-
<b>Total Current Liabilities</b>		<b>1,37,12,46,772</b>	<b>1,26,72,74,085</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,73,62,10,145</b>	<b>2,43,05,90,056</b>

Summary of Significant Accounting Policies

1 to 2

The accompanying notes are an integral part of the financial statements 3 to 48

As per our report of even date

For and on behalf of the Board of Directors

**Bhagiradha Chemicals & Industries Limited**
**For S Singhvi & Co.**

 Chartered Accountants  
 Firm Regi. No.: 003872S

**Shailendra Singhvi**

 Proprietor  
 Membership No. : 023125/ICAI

 Place : Hyderabad  
 Date : 14.05.2019

**K S Raju**

 Chairman  
 DIN NO. 00008177

**B Krishna Mohan Rao**

Chief Financial Officer

**S Chandra Sekhar**

 Managing Director  
 DIN NO. 00159543

**B N Suvarchala**

Company Secretary



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31, MARCH 2019

₹

Sl. No	PARTICULARS	NOTE .	For The Year Ended Mar 31, 2019	For The Year Ended Mar 31, 2018
<b>I.</b>	<b>Income:</b>			
	Revenue from Operations	28	3,83,98,24,372	1,86,72,60,752
	Other Income	29	59,40,931	76,83,064
	<b>Total Revenue (I)</b>		<b>3,84,57,65,303</b>	<b>1,87,49,43,816</b>
<b>II</b>	<b>Expenses:</b>			
	Cost of Materials Consumed	30	2,57,10,10,617	1,38,37,37,702
	Change in inventories of finished goods	31	18,55,72,088	(10,54,05,961)
	Excise Duty on sale of goods		-	34,169,656
	Employee benefit expenses	32	15,83,71,881	11,59,32,844
	Financial costs	33	7,94,41,302	6,91,80,928
	Depreciation expense	3	4,82,11,610	29206,226
	Other expenses	34	51,19,09,128	32,29,33,206
	<b>Total Expenses (II)</b>		<b>3,55,45,16,626</b>	<b>1,84,97,54,601</b>
<b>III</b>	<b>Profit Before Exceptional Items and Tax (I-II)</b>		29,12,48,677	2,51,89,215
	Exceptional Items		-	(8,27,11,805)
<b>IV</b>	<b>Profit before tax</b>		<b>29,12,48,677</b>	<b>(5,75,22,590)</b>
<b>V</b>	<b>Tax expense:</b>			
	Current tax		5,27,33,749	-
	Mat Credit Entitlement		(5,27,33,749)	-
	Deferred tax charge/ (credit)		10,83,82,895	(4,45,05,668)
			<b>10,83,82,895</b>	<b>(4,45,05,668)</b>
<b>VI</b>	<b>Profit/(Loss) for the period</b>		<b>18,28,65,783</b>	<b>(1,30,16,922)</b>
	<b>Other Comprehensive Income</b>	37		
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Remeasurement on employees defined benefit plan		1,37,23,682	67,16,207
	Deferred tax credit on above		(39,96,336)	(22,20,580)
	<b>Total other Comprehensive Income, net of tax</b>		<b>97,27,346</b>	<b>44,95,627</b>
	<b>Total Comprehensive Income, net of tax</b>		<b>19,25,93,129</b>	<b>(85,21,294)</b>
	Earning per equity share of ₹ 10/- each fully paid:	38		
	<b>Basic (₹)</b>		22.53	-2.09
	<b>Diluted (₹)</b>		22.01	-2.02
	Summary of Significant Accounting Policies	1 to 2		

The accompanying notes are an integral part of the financial statements 3 to 48

As per our report of even date

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

### For S Singhvi & Co.

Chartered Accountants  
Firm Regi. No.: 003872S

### Shailendra Singhvi

Proprietor  
Membership No. : 023125/ICAI

### K S Raju

Chairman  
DIN NO. 00008177

### S Chandra Sekhar

Managing Director  
DIN NO. 00159543

Place : Hyderabad  
Date : 14.05.2019

**B Krishna Mohan Rao**  
Chief Financial Officer

**B N Suvarchala**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

₹

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit Before Tax	29,12,48,677	(5,75,22,590)
<b>Adjustments for :</b>		
Depreciation	4,82,11,610	2,92,06,226
Loss on sale of fixed assets / Loss of fixed assets due to fire - Exceptional Items (net)	16,29,490	1,95,57,252
Interest Paid	5,81,54,347	6,10,89,160
Interest income & Notional Income	(38,08,070)	(20,15,715)
Provision for bad & Doubtful Debts	1,02,653	-
Exchange Differences on translation of assets & liabilities	98,64,117	(15,24,716)
Gratuity & Compensated absence	56,02,697	75,35,454
<b>Operating profit before working capital changes</b>	<b>41,10,05,521</b>	<b>5,63,25,071</b>
Adjustments for movement in working capital :		
(Increase)/Decrease in Inventories	39,15,88,820	9,48,47,629
(Increase)/Decrease in Trade Receivable	(48,65,62,920)	(18,44,86,644)
(Increase)/Decrease in Other Financial & Non Financial Assets	4,39,93,271	(12,42,06,646)
Increase/(Decrease) in Trade Payable	16,96,85,524	(11,71,61,498)
Increase/(Decrease) in Other Financial, non financial liabilities & provisions	(38,87,981)	73,96,411
<b>Cash generated from operations</b>	<b>52,58,22,236</b>	<b>(26,72,85,677)</b>
Direct taxes paid (Net of refund)	(3,71,68,336)	(2,01,520)
<b>Net cash flow from operating activities (A)</b>	<b>48,86,53,900</b>	<b>(26,74,87,197)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant & equipment, capital work in progress & capital advances	(37,82,03,089)	(18,41,27,513)
Proceeds from sale of property, plant & equipment	19,83,475	-
Claim received towards loss of fixed assets due to fire - Exceptional item	-	5,17,80,000
Interest received	22,83,354	20,15,715
<b>Net cash flow used in investing activities (B)</b>	<b>(37,62,19,614)</b>	<b>(13,03,31,798)</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

₹

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of equity shares (including share premium)	7,00,47,000	49,16,40,000
Proceeds from issue of share warrants	-	2,33,49,000
Proceeds/(Repayment) of long term borrowings (Net)	(5,11,53,155)	1,22,74,306
Proceeds/(Repayment) of short term borrowings (Net)	(8,66,75,264)	(4,32,41,828)
Dividend Paid	(51,906)	-
Interest paid	(5,59,19,445)	(5,86,30,895)
<b>Net cash used in financing activities ( C)</b>	<b>(12,37,52,770)</b>	<b>42,53,90,583</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,13,18,484)</b>	<b>2,75,71,589</b>
Cash and cash equivalents at the beginning of the year	3,41,95,088	66,23,499
cash and cash equivalents at end of the year	2,28,76,604	3,41,95,088

The above cash flow statement has been prepared using the 'Indirect Method' as set out in the IND AS - 7 on Cash Flow Statement as notified by the Central Government under the Companies Act, 2013.

As per our report of even date

### For S Singhvi & Co.

Chartered Accountants  
Firm Regi. No.: 003872S

### Shailendra Singhvi

Proprietor  
Membership No. : 023125/ICAI

Place : Hyderabad

Date : 14.05.2019

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

### K S Raju

Chairman  
DIN NO. 00008177

### B Krishna Mohan Rao

Chief Financial Officer

### S Chandra Sekhar

Managing Director  
DIN NO. 00159543

### B N Suvarchala

Company Secretary

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

### a. Equity Share Capital

PARTICULARS	As At 31.03.2019		As At 31.03.2018	
	Number of shares	Amount In ₹	Number of shares	Amount In ₹
As at April 01, 2018	77,93,700	7,79,37,000	50,53,700	5,05,37,000
Add: Forfeited Shares (amount originally paid up)	-	2,45,500	-	2,45,500
Add: Issued during the year	5,16,000	51,60,000	27,40,000	2,74,00,000
<b>As at March 31, 2019</b>	<b>83,09,700</b>	<b>8,33,42,500</b>	<b>77,93,700</b>	<b>7,81,82,500</b>

### b. Other Equity

PARTICULARS	Security Premium Reserve	Share Warrants Reserve	General Reserve	Retained Earnings	Total
<b>As at April 01, 2017</b>	-	-	<b>9,02,73,859</b>	<b>37,08,07,834</b>	<b>46,10,81,693</b>
Add: Profit for the year	-	-	-	(1,30,16,922)	(1,30,16,922)
Add: Shares issued during the year on preferential basis	46,42,40,000	-	-	-	46,42,40,000
Share warrants issued during the year	-	2,33,49,000	-	-	2,33,49,000
Other Comprehensive Income for the year : Remeasurement of employees defined benefit plans	-	-	-	67,16,207	67,16,207
Deferred tax on above	-	-	-	(22,20,580)	(22,20,580)
As at March 31, 2018	<b>46,42,40,000</b>	<b>2,33,49,000</b>	<b>9,02,73,859</b>	<b>36,22,86,539</b>	<b>94,01,49,398</b>
<b>As at April 01, 2018</b>	<b>46,42,40,000</b>	<b>2,33,49,000</b>	<b>9,02,73,859</b>	<b>36,22,86,539</b>	<b>94,01,49,398</b>
Add: Profit for the year	-	-	-	18,28,65,783	18,28,65,783
Add: Issued during the year	8,82,36,000	(2,33,49,000)	-	-	6,48,87,000
Add: Other Comprehensive Income for the year : Remeasurement of employees defined benefit plans	-	-	-	1,37,23,682	1,37,23,682
Deferred tax on above	-	-	-	(39,96,336)	(39,96,336)
<b>As at March 31, 2019</b>	<b>55,24,76,000</b>	<b>-</b>	<b>9,02,73,859</b>	<b>55,48,79,668</b>	<b>1,19,76,29,527</b>

As per our report of even date

#### For S Singhvi & Co.

Chartered Accountants  
Firm Regi. No.: 003872S

#### Shailendra Singhvi

Proprietor  
Membership No. : 023125/ICAI

Place : Hyderabad  
Date : 14.05.2019

For and on behalf of the Board of Directors

#### Bhagiradha Chemicals & Industries Limited

#### K S Raju

Chairman  
DIN NO. 00008177

**B Krishna Mohan Rao**  
Chief Financial Officer

#### S Chandra Sekhar

Managing Director  
DIN NO. 00159543

**B N Suvarchala**  
Company Secretary



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 1 : OVERVIEW OF THE COMPANY

Bhagiradha Chemicals Industries Limited was incorporated on 7th July, 1993 in Hyderabad (Telangana). The Company is a public limited company incorporated and domiciles in India and has its registered office at 8-2-269/3/A, Plot No 3, Sagar Society, Road No 2, Banjara Hills, Hyderabad - 500 034 (TS). It is incorporated under the Companies Act and its shares are listed on the Bombay Stock Exchange. It has got the manufacturing facility in Ongole District of Andhra Pradesh, is engaged in manufacturing of Agro Chemicals.

### NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation & compliance with IND AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The financial statements of the company are prepared in accordance with the Indian Generally Accepted Principal (GAAP) on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS.

- Certain financial assets and liabilities are measured at fair value (Refer accounting policy on financial instruments)
- Defined benefit and other long term Employee Benefits.
- Current versus non current classification : All the assets and liabilities have been classified as current and non current as per the Company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

#### 2.2 Uses of Estimates & judgments

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 the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements and 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.

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

If the inputs used to measure the fair value of an asset or a liability falls 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 Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **2.4 Property, Plant and Equipment and Depreciation**

- a) 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 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.
- b) Subsequent expenditure related to an item of fixed asset is added to its book value only, if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
- c) Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.
- d) The estimated useful life of assets is as follows:
 

Building	30 - 60 Years
Plant and equipment	20 - 25 Years
Plant and equipment - R & D	10 Years
Furniture and fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Computer and data processing equipment	3 Years
- e) Depreciation on tangible fixed assets (property, plant and equipment) has been provided on Straight Line Method. Depreciation is provided on a pro-rata 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.
- f) 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.
- g) 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.



## 2.5 Intangible Assets

- a) Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.
- b) Subsequent expenditure related to an item of intangible assets is added to its book value, only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- c) In respect of Intangible fixed 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.
- d) 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.

## 2.6 Impairment of Property, Plant and Equipment

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

## 2.7 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.

## 2.8 Research and Development Cost

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

## 2.9 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.

## 2.10 Inventories

- a) Inventories are valued at lower of cost or net realizable value on an item-by-item basis.
- b) 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.
- c) Cost of Finished goods and work in progress : Cost includes cost of direct materials, labour and other related costs incurred in bringing the inventories to their present condition & location.
- d) Goods in transit are valued at cost which represents the cost incurred up to the stage at which the goods are in transit.

## 2.11 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.

## 2.12 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.

## 2.13 Leases

A lease is classified at the inception date as finance lease or an operating lease. Leases under which the Company assumes substantially, all the risk and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of Profit and loss. Other leases are treated as operating leases, with payments recognised as expenses in the statement of profit and loss on a straight line basis over the lease term.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases from the date of initial application (April 1, 2019). The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

## 2.14 Revenue Recognition

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from contracts with customers". The application of Ind AS 115 did not have any significant impact on recognitions and measurement of revenue.

- a) Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have been passed on 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.
- b) 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.
- c) Export incentives are recognised when the right to receive credit as per the terms of incentives is established in respect of exports made.
- d) Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable. For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate method to the net carrying amount of the financial assets.

## 2.15 Income Tax

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.

### a) Current Tax

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

### b) 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.



### c) **Minimum Alternate Tax**

MAT is recognised as an asset only when and 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 and is considered as (MAT credit entitlement). The Company reviews the same at each Balance Sheet date and 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 Asset.

## **2.16 Employee Benefits**

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.

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

### **ii 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 comprises 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.

## **2.17 Foreign Currency Transactions**

- a) 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.
- b) 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.

## 2.18 Provisions and Contingencies

- a) 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.
- b) 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.

## 2.19 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.

## 2.20 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 shares 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

## 2.21 Operating Cycles

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.

## 2.22 Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's board of directors.

## 2.23 Financial Instruments

### a) Financial Assets

#### i) Recognition and initial measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value through profit and loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

#### ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

##### 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.



### **Financial assets at fair value through other comprehensive income (FVTOCI)**

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.

### **Financial assets at fair value through profit (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 instruments measured at fair value through other comprehensive income (FVTOCI)**

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.

### **iii) 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.

### **iv) 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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- 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 Company 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 is recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the issue of a financial liability.

## **ii) Subsequent measurement**

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL, if it is classified as held- for- trading, or as a derivative or if 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 expired. 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 is extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

## **iv) Setting off financial instruments**

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.



**NOTE 3 : PROPERTY, PLANT & EQUIPMENT**

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<b>PARTICULARS</b>	<b>Freehold land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Electrical Installations</b>	<b>Furniture and Fixtures</b>	<b>Office Equip-ment</b>	<b>Computers</b>	<b>Vehicles</b>	<b>Total Property, plant and equipment</b>
<b>Gross carrying value</b>									
Balance as at April 01, 2017	76,01,317	15,85,61,381	81,99,96,853	9,81,94,576	24,70,353	37,63,635	29,39,382	63,16,249	1,09,98,43,746
Additions	-	24,73,967	16,65,15,712	1,01,21,631	2,21,621	1,46,474	2,52,307	-	17,97,31,713
Deductions / Adjustments	-	-	8,54,50,788	1,42,61,867	-	-	-	-	9,97,12,655
Balance as at March 31, 2018	<b>76,01,317</b>	<b>16,10,35,348</b>	<b>90,10,61,777</b>	<b>9,40,54,341</b>	<b>26,91,974</b>	<b>39,10,109</b>	<b>31,91,689</b>	<b>63,16,249</b>	<b>1,17,98,62,804</b>
<b>Accumulated Depreciation</b>									
Opening Accumulated depreciation	-	3,91,23,492	30,71,66,854	5,36,93,265	22,78,041	31,51,156	22,13,564	50,09,687	41,26,36,059
Depreciation charge during the year	-	36,23,136	1,80,55,785	65,39,855	51,059	1,65,315	3,73,057	3,52,909	2,91,61,116
Disposal/Adjustments	-	-	2,44,76,493	38,98,909	-	-	-	-	2,83,75,402
<b>Closing Accumulated depreciation</b>	-	<b>4,27,46,628</b>	<b>30,07,46,146</b>	<b>5,63,34,211</b>	<b>23,29,100</b>	<b>33,16,471</b>	<b>25,86,621</b>	<b>53,62,596</b>	<b>41,34,21,773</b>
<b>Net Carrying amount as at 31.03.2018</b>	<b>76,01,317</b>	<b>11,82,88,720</b>	<b>60,03,15,631</b>	<b>3,77,20,130</b>	<b>3,62,874</b>	<b>5,93,638</b>	<b>6,05,068</b>	<b>9,53,653</b>	<b>76,64,41,031</b>
<b>Gross carrying value</b>									
Balance as at April 01, 2018	76,01,317	16,10,35,348	90,10,61,777	9,40,54,341	26,91,974	39,10,109	31,91,689	63,16,249	1,17,98,62,804
Additions	1,95,81,600	2,37,63,254	27,83,74,106	1,96,28,505	6,88,212	7,22,280	4,95,503	-	34,32,53,461
Deductions / Adjustments	-	-	53,28,327	-	-	-	-	-	53,28,327
Balance as at March 31, 2019	<b>2,71,82,917</b>	<b>18,47,98,602</b>	<b>1,17,41,07,557</b>	<b>11,36,82,846</b>	<b>33,80,186</b>	<b>46,32,389</b>	<b>36,87,192</b>	<b>63,16,249</b>	<b>1,51,77,87,938</b>
<b>Accumulated Depreciation</b>									
Opening Accumulated depreciation	-	4,27,46,628	30,07,46,146	5,63,34,211	23,29,100	33,16,471	25,86,621	53,62,596	41,34,21,773
Depreciation charge during the year	-	48,22,320	3,56,52,778	67,06,992	51,826	221,331	1,29,644	3,52,909	4,79,37,800
Disposal/Adjustments	-	-	17,15,362	-	-	-	-	-	17,15,362
<b>Closing Accumulated depreciation</b>	-	<b>4,75,68,948</b>	<b>33,46,83,562</b>	<b>6,30,41,203</b>	<b>23,80,926</b>	<b>35,37,802</b>	<b>27,16,265</b>	<b>57,15,505</b>	<b>45,96,44,211</b>
<b>Net Carrying amount as at 31.03.2019</b>	<b>2,71,82,917</b>	<b>13,72,29,654</b>	<b>83,94,23,994</b>	<b>5,06,41,644</b>	<b>9,99,260</b>	<b>10,94,587</b>	<b>9,70,927</b>	<b>6,00,744</b>	<b>1,05,81,43,727</b>

**NOTE 4 : CAPITAL WORK IN PROGRESS (Assets under installation)**

₹

<b>PARTICULARS</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Electrical Installations</b>	<b>Preoperative Expenses</b>	<b>Total Capital Work in progress</b>
As at April 01, 2017	-	-	-	-	-
Additions	3,43,25,868	15,54,58,147	-	46,78,624	19,44,62,639
Deductions / Capitalised	3,43,25,868	15,54,58,147	-	46,78,624	19,44,62,639
As at March 31, 2018	-	-	-	-	-
As at April 01, 2018	-	-	-	-	-
Additions	2,73,74,604	30,86,15,308	-	-	33,59,89,912
Deductions / Capitalised	2,37,63,254	27,83,74,106	-	-	30,21,37,360
<b>As at March 31, 2019</b>	<b>36,11,350</b>	<b>3,02,41,202</b>	<b>-</b>	<b>-</b>	<b>3,38,52,552</b>

**NOTE 5 : INTANGIBLE ASSETS**

₹

<b>PARTICULARS</b>	<b>Computer Software Purchased</b>	<b>Technical Know How</b>	<b>Product Registration</b>	<b>Total Intangible Assets</b>
<b>Gross carrying value</b>				
Balance as at April 01, 2017	1,78,715	40,70,000	-	42,48,715
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at March 31, 2018	1,78,715	40,70,000	-	42,48,715
<b>Amortization</b>				
As at April 01, 2017	45,808	40,70,000	-	41,15,808
Charge for the year	45,110	-	-	45,110
Disposal	-	-	-	-
As at March 31, 2018	90,918	40,70,000	-	41,60,918
<b>Net Carrying amount as at 31.03.2018</b>	<b>87,797</b>	<b>-</b>	<b>-</b>	<b>87,797</b>
<b>Gross carrying value</b>				
Balance as at April 01, 2018	1,78,715	40,70,000	-	42,48,715
Additions	-	-	9,14,800	9,14,800
Disposals	-	-	-	-
<b>As at March 31, 2019</b>	<b>1,78,715</b>	<b>40,70,000</b>	<b>9,14,800</b>	<b>51,63,515</b>
<b>Amortization</b>				
As at April 01, 2018	90,918	40,70,000	-	41,60,918
Charge for the year	45,110	-	2,28,700	2,73,810
Disposal	-	-	-	-
<b>As at March 31, 2019</b>	<b>1,36,028</b>	<b>40,70,000</b>	<b>2,28,700</b>	<b>44,34,728</b>
<b>Net Carrying amount as at 31.03.2019</b>	<b>42,687</b>	<b>-</b>	<b>6,86,100</b>	<b>7,28,787</b>


**NOTE 6 : INTANGIBLE ASSETS UNDER DEVELOPMENT**

₹

<b>PARTICULARS</b>	<b>Product Registration</b>	<b>Total Capital Work in progress</b>
As at April 01, 2017	-	-
Additions	43,95,800	43,95,800
Deductions/Capitalised	-	-
As at March 31, 2018	43,95,800	43,95,800
As at April 01, 2018	43,95,800	43,95,800
Additions	10,97,076	10,97,076
Deductions/Capitalised	9,14,800	9,14,800
<b>As at March 31, 2019</b>	<b>45,78,076</b>	<b>45,78,076</b>

**NOTE 7 : FINANCIAL ASSETS - LOANS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Non Current (Unsecured-considered good unless otherwise stated)		
Security Deposit	2,14,04,125	2,13,91,125
<b>Total</b>	<b>2,14,04,125</b>	<b>2,13,91,125</b>

**NOTE 8 : OTHER FINANCIAL ASSETS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Non Current		
Balances with Banks:		
On term deposits with original maturity of more than 12 months	66,16,484	66,16,484
Interest accrued on deposits	16,78,631	12,11,944
<b>Total</b>	<b>82,95,115</b>	<b>78,28,428</b>

**NOTE 9 : DEFERRED TAX ASSETS (NET)**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Deferred tax assets relating to:</b>		
Unused tax losses/depreciation	4,78,27,481	11,78,76,935
Expenses allowable on payment basis	43,94,347	36,75,279
Relating to Ind AS adjustments	-	8,66,250
<b>Total deferred tax assets</b>	<b>5,22,21,828</b>	<b>12,24,18,464</b>
<b>Deferred tax liabilities relating to:</b>		
Accumulated depreciation for tax purposes	10,14,06,514	6,23,72,415
Relating to Ind AS adjustments	53,50,666	22,20,580
<b>Total deferred tax liabilities</b>	<b>10,67,57,180</b>	<b>6,45,92,995</b>
Deferred tax assets (Net)	(5,45,35,353)	5,78,25,469
Add: MAT credit entitlement	7,77,27,159	2,50,11,819
<b>Total deferred tax assets (net)</b>	<b>2,31,91,807</b>	<b>8,28,37,288</b>

## 9.1 DEFERRED TAX ASSETS/(LIABILITIES)

### a) For the year ended March 31, 2019

₹

PARTICULARS	Opening Balance	Recognised in Profit & loss	Recognised in Other comprehensive income	Closing Balance
Accelerated depreciation for tax purpose	(6,23,72,415)	(3,90,34,100)	-	(10,14,06,515)
MAT credit Entitlement	2,50,11,819	5,27,15,340	-	7,77,27,159
Unused tax losses/depreciation	11,78,76,935	(7,00,49,454)	-	4,78,27,481
Expenses allowed on payment basis	36,75,279	7,19,068	-	43,94,347
Other items giving rise to temporary differences	(13,54,330)	-	(39,96,336)	(53,50,666)
	<b>8,28,37,288</b>	<b>(5,56,49,145)</b>	<b>(39,96,336)</b>	<b>2,31,91,807</b>

### 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 purpose	(7,33,51,415)	1,09,79,000	-	(6,23,72,415)
MAT credit Entitlement	2,50,11,819	-	-	2,50,11,819
Unused tax losses/depreciation	8,67,78,412	3,10,98,523	-	11,78,76,935
Expenses allowed on payment basis	12,47,134	24,28,145	-	36,75,279
Other items giving rise to temporary differences	8,66,250	-	(22,20,580)	(13,54,330)
	<b>4,05,52,200</b>	<b>4,45,05,668</b>	<b>(22,20,580)</b>	<b>8,28,37,288</b>

## 9.2 Note on virtual certainty

The Company has accounted for deferred tax assets(net) of ₹ 2,31,91,807/- (March 31, 2018 ₹ 8,28,37,288/). Based on the past experience and future estimates, Management is of the opinion that there is a 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.

## NOTE 10 : OTHER NON CURRENT ASSETS

₹

PARTICULARS	AS AT 31-03-2019	AS AT 31-03-2018
Unsecured-considered good unless otherwise stated		
Capital Advances	1,29,37,054	-
<b>Total</b>	<b>1,29,37,054</b>	<b>-</b>


**NOTE 11 : INVENTORIES**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Cost or net realisable value whichever is lower</b>		
Raw Material	13,05,71,128	32,54,31,582
Raw Material in bonded ware house	65,49,330	1,06,86,764
Work in progress	12,09,72,227	8,05,12,784
Finished Goods	30,15,83,894	52,76,15,425
Packing Materials	27,99,685	21,33,848
Coal & Fuel	1,00,19,254	1,17,86,931
Stores, spares & consumables	26,48,943	85,65,947
<b>Total</b>	<b>57,51,44,461</b>	<b>96,67,33,281</b>

**NOTE 12 : TRADE RECEIVABLES**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Unsecured - Considered good	84,23,07,302	35,57,44,382
Unsecured - Considered doubtful	1,02,653	-
	84,24,09,955	35,57,44,382
Less: Bad debts Written off	1,02,653	-
<b>Total</b>	<b>84,23,07,302</b>	<b>35,57,44,382</b>

**12.1** 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 in which any director is a partner or a director or a member.

**NOTE 13 : CASH & CASH EQUIVALENTS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Balances with bank in current accounts	2,10,68,621	3,04,71,709
Balances with bank in EEFC accounts	8,45,829	70,075
Balances with bank in unclaimed dividend accounts	1,80,206	2,32,112
Deposits with original maturity of less than three months	7,15,058	35,59,558
Cash in hand	2,47,097	93,746
<b>Total</b>	<b>2,30,56,811</b>	<b>3,44,27,200</b>

**NOTE 14 : OTHER BANK BALANCES**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Deposits with original maturity of more than 3 months but less than 12 months	75,04,654	14,72,138
<b>Total</b>	<b>75,04,654</b>	<b>14,72,138</b>

**NOTE 15 : FINANCIAL ASSETS - DEPOSITS & OTHERS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Current (Unsecured-considered good unless otherwise stated)		
Advances recoverable in cash	7,37,700	11,89,700
Insurance claim receivable	16,128	8,66,02,633
Accrued Interest	12,42,097	10,84,821
<b>Total</b>	<b>19,95,925</b>	<b>8,88,77,154</b>

**NOTE 16 : CURRENT TAX ASSETS (NET)**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Income tax paid (Net of provision)	2,55,014	9,78,396
<b>Total</b>	<b>2,55,014</b>	<b>9,78,396</b>

**NOTE 17 : OTHER CURRENT ASSETS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Current (Unsecured-considered good unless otherwise stated)		
Advances recoverable in kind	1,30,05,666	84,37,618
Payable towards expenses	21,65,588	27,24,401
Prepaid Expenses	32,55,638	64,47,355
Balance with statutory/Government Authorities	10,43,87,844	8,17,66,662
<b>Total</b>	<b>12,28,14,736</b>	<b>9,93,76,035</b>

**NOTE 18 : EQUITY SHARE CAPITAL**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Authorised</b>		
1,00,00,000 Equity Shares of ₹ 10/- each	10,00,00,000	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued &amp; Subscribed</b>		
83,58,800 Equity Shares of ₹ 10/- each, Fully Paid up	8,35,88,000	7,84,28,000
	<b>8,35,88,000</b>	<b>7,84,28,000</b>
<b>Paid up</b>		
83,09,700 (Previous Year 77,93,700) Equity Shares of ₹ 10/- each with Voting Rights Fully Paid up	8,30,97,000	7,79,37,000
Less: Forfeited shares (amount originally paid up)	2,45,500	2,45,500
<b>Total</b>	<b>8,33,42,500</b>	<b>7,81,82,500</b>



### 18.1 RECONCILIATION OF NUMBER OF SHARES:

PARTICULARS	AS AT	AS AT
	31-03-2019	31-03-2018
Number of Equity Shares at the beginning of the year	77,93,700	50,53,700
Add: Number of shares issued during the year	5,16,000	27,40,000
Number of Equity Shares at the end of the year	<b>83,09,700</b>	<b>77,93,700</b>

### 18.2 Allotment of Shares

- a) During the year, the Company has allotted 5,16,000 equity shares of ₹ 10/- each at a price of ₹ 181/- (including premium of ₹ 171/- per share) by way of conversion on 14.08.2018, of share warrants into share capital as per the terms of issue of share warrants (issued in the year 2017-18). The purpose of issue is to expand its operations and to meet the working capital and corporate requirements of the Company.
- b) During the previous 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.

### 18.3 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. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 18.4. DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES

PARTICULARS	AS AT 31-03-2019		AS AT 31-03-2018	
	No of Shares	% of holding	No of Shares	% of holding
<b>Equity shares of ₹ 10/- each held by:</b>				
S Chandra Sekhar	12,87,300	15.49%	11,57,300	14.85%
Ratnabali Investment Private Limited	11,25,000	13.54%	-	-
IL And FS Securities Services Limited	5,00,750	6.03%	-	-
Nagarjuna Impex Limited	-	-	5,10,300	6.55%
Royal Touch Multitrade Pvt Ltd.	-	-	3,96,600	5.09%
R Venkata Narayana	6,00,000	7.22%	6,00,000	7.70%
Mukul Mahavir Agarwal	5,00,000	6.02%	5,00,000	6.42%
Siddarth Iyer	4,00,000	4.81%	4,00,000	5.13%
Rajesh Nuwal HUF	-	-	5,00,000	6.42%

18.5 The Company has not allotted any equity shares as fully paid up without receiving cash or as bonus shares or bought back any equity shares.

### 18.6 Proposed Dividend

The Board of Directors has recommended the payment of final Dividend of 20% (₹ 2 per share having face value of ₹ 10/- each) for the financial year ended March 31, 2019 (March 31, 2018 ₹ NIL). Proposed dividend is subject to the approval of share holders in the ensuing annual general meeting and subject to dividend distribution tax.

**NOTE 19 : OTHER EQUITY**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>		<b>AS AT 31-03-2018</b>	
<b>Share Warrants</b>				
Opening Balance	2,33,49,000		-	
Add: amount received on issue of share warrants	-		2,33,49,000	
Less: conversion of share warrants into share capital	2,33,49,000		-	
		-		2,33,49,000
<b>Securities Premium</b>				
Opening Balance	46,42,40,000		-	
Add: received on shares issued during the year	8,82,36,000		46,42,40,000	
Less: Utilised during the year	-		-	
		55,24,76,000		46,42,40,000
<b>General Reserve</b>				
Opening Balance		9,02,73,859		9,02,73,859
Surplus in the Statement of Profit & Loss				
Opening Balance	36,22,86,539		37,08,07,834	
Add: Profit for the year	18,28,65,783		(1,30,16,922)	
Other Comprehensive Income net of tax	97,27,346		44,95,627	
Closing Balance		55,48,79,668		36,22,86,539
<b>Total</b>		<b>1,19,76,29,527</b>		<b>94,01,49,398</b>

**19.1 Securities Premium Reserve**

Securities premium is on account of issue of shares by conversion of share warrants during the year.

**19.2 Share Warrants**

Please refer note No 18(2)(a)

**NOTE 20 : FINANCIAL LIABILITIES - BORROWINGS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Non Current Borrowings</b>		
Term Loans (Secured)		
From Bank of India	9,99,90,731	16,36,71,778
Other Loans		
Sales tax deferrment (Unsecured)	1,91,26,390	2,23,49,021
	<b>11, 91,17,122</b>	<b>18,60,20,799</b>
<b>Current Maturities of non current borrowings</b>		
Term Loans (Secured)		
From Bank of India	4,37,50,000	5,84,70,957
Other Loans		
Sales tax deferment (Unsecured)	87,18,063	97,47,629
	<b>5,24,68,063</b>	<b>6,82,18,586</b>
<b>Total</b>	<b>6,66,49,059</b>	<b>11,78,02,213</b>



## 20.1 Details of Indian Rupee Term Loans from banks are as under:

₹

Bank of India	Outstanding as on 31.03.2019	Outstanding as on 31.03.2018	Sanction Amount	Number of Instalments	Commencement of Instalments	Effective Interest Rate
Term Loan 1	-	2,90,95,957	10,00,00,000	20 Structured stepped up quarterly installments First 4 - 0.25 Cr. each, next 12 - 0.50 Cr. Each & last 4 - 0.75 Cr. Each	June 2014	"As on 31.03.2019 MCLR of 8.60% plus spread 3.50% p.a. (March 31, 2018: MCLR of 8.30 plus spread 3.00%)"
Term Loan 2	3,94,25,249	5,96,81,891	10,00,00,000	20 Structured stepped up quarterly installments First 4 - 0.25 Cr. each, next 12 - 0.50 Cr. Each & last 4 - 0.75 Cr. Each	"December 2015"	"As on 31.03.2019 MCLR of 8.60% plus spread 3.50% p.a. (March 31, 2018: MCLR of 8.30 plus spread 3.00%)"
Term Loan 3	6,05,65,482	7,48,93,930	7,50,00,000	16 Quarterly installments of ₹ 0.4687 Cr. Each	"October 2018"	"As on 31.03.2019 MCLR of 8.60% plus spread 3.50% p.a. (March 31, 2018: MCLR of 8.30 plus spread 3.00%)"

### 20.2 Term 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 also 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.

### 20.3 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 Chlorpyrifos plant. The sanction of ₹ 9,18,54,000/- under letter No.20/2/6/1369/ID dated 08-10-1996 has expired its utilization on 28<sup>th</sup> 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 14<sup>th</sup> February, 2016. The Company has availed an aggregate deferment loan of ₹ 5,63,16,735/- under the above sanctions. The repayment has commenced and an amount of ₹ 2,23,80,071/- has been paid.

**NOTE 21 : OTHER FINANCIAL LIABILITIES**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Other non current liabilities</b>		
Deferred income on government grants	1,67,71,870	1,82,96,586
<b>Total</b>	<b>1,67,71,870</b>	<b>1,82,96,586</b>

**NOTE 22 : PROVISIONS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Non current provisions</b>		
For Gratuity & Compensated Absence	5,70,417	88,85,273
<b>Total</b>	<b>5,70,417</b>	<b>88,85,273</b>

**NOTE 23 : FINANCIAL LIABILITIES - BORROWINGS**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Current Borrowings</b>		
<b>Working capital loans (Secured)</b>		
From Axis Bank Limited	-	9,25,06,729
From State Bank of India - 1	16,59,04,881	16,96,69,119
From State Bank of India - 2	-	2,52,06,009
From IDFC First Bank Ltd - 1	16,34,67,527	-
From IDFC First Bank Ltd - 2	2,52,01,712	-
<b>Bill discounting facilities from banks (Unsecured)</b>		
From State Bank of India	-	19,11,600
From Citi Bank	-	52,15,600
PGSI Card - Axis Bank	-	50,51,317
<b>Loan from others(Unsecured)</b>		
Bill Discounting SBI Global Factors	-	2,89,51,634
Loans from Intercorporates	-	8,51,39,466
Loans from directors	-	1,18,47,388
<b>Total</b>	<b>35,45,74,121</b>	<b>42,54,98,862</b>



### 23.1 Details of Indian Rupee Working Capital Loans from banks are as under:

₹

PARTICULARS	Balance		Effective Interest Rate	
	AS AT 31-03-2019	AS AT 31-03-2018	AS AT 31-03-2019	AS AT 31-03-2018
<b>Loans repayable on demand - Secured</b>				
From Axis Bank Limited	-	9,25,06,729	-	12.00%
From State Bank of India - 1	16,59,04,881	16,96,69,119	10.30%	11.00%
From State Bank of India - 2	-	2,52,06,009	-	9.70%
From IDFC First Bank Ltd - 1	16,34,67,527	-	9.95%	-
From IDFC First Bank Ltd - 2	2,52,01,712	-	9.55%	-
<b>Loans repayable on demand - Unsecured</b>				
From State Bank of India	-	19,11,600	-	7.80%
From Citi Bank	-	52,15,600	-	11.50%
PGSI Card - Axis Bank	-	50,51,317	-	18.60%
Bill Discounting SBI Global Factors	-	2,89,51,634	-	12.75%
<b>Loan from others(Unsecured)</b>				
Loans from Intercompanies	-	8,51,39,466	-	10.00%
Loans from directors	-	1,18,47,388	-	10.00%

### 23.2 Working Capital Facilities :

Working capital facilities extended by State Bank of India and IDFC First 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 & IDFC First Bank Ltd.

#### ii) Collateral Security :

Paripassu first charge on movable fixed assets of the Company (both present and future) except vehicles and assets created out of term loans from Bank of India and equitable mortgage of the company's factory land and buildings in an extent of 33.11 acres situated at Cheruvukommupalem, Ongole and on the Company's agricultural land to the extent of 6.52 acres situated at Cheruvukommupalem, Ongole.

Pari Passu Second charge is available to SBI & IDFC First Bank Ltd by way of hypothecation on the movable fixed assets of the Company financed by Bank of India.

Personal Guarantee of Shri. S Chandra Sekhar, Managing Director and Smt. S Lalitha Sree Director of the Company.

### NOTE 24 : TRADE PAYABLES

₹

PARTICULARS	AS AT 31-03-2019	AS AT 31-03-2018
Unsecured-considered good:		
Outstanding dues to Micro, small & medium enterprises	1,39,76,924	91,60,045
Others	81,10,38,813	64,61,70,168
<b>Total</b>	<b>82,50,15,737</b>	<b>65,53,30,213</b>

**24.1 Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
Principal amount remaining unpaid	1,39,76,924	91,60,045
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period/ year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period/year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at balance sheet date	-	-
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 MSMED Act, 2006.	-	-
<b>Total</b>	<b>1,39,76,924</b>	<b>91,60,045</b>

**24.2** 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 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company.

**NOTE 25 : OTHER FINANCIAL LIABILITIES**

₹

<b>PARTICULARS</b>	<b>AS AT 31-03-2019</b>	<b>AS AT 31-03-2018</b>
<b>Current Maturities of long term debts</b>		
Term Loans (Secured)		
From Bank of India	4,37,50,000	5,84,70,957
Other Loans		
Sales tax deferment (Unsecured)	87,18,063	97,47,629
Capital Creditors	10,91,40,351	10,52,49,237
Deferred income on government grants	15,24,716	15,24,716
Unpaid dividends	1,80,206	2,32,112
Other Payables - Expenses	84,79,584	85,01,051
<b>Total</b>	<b>17,17,92,920</b>	<b>18,37,25,702</b>

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


**NOTE 26 : OTHER CURRENT LIABILITIES**

₹

PARTICULARS	AS AT 31-03-2019	AS AT 31-03-2018
Advance from Customers	15,69,818	-
Statutory Dues	32,83,340	27,19,308
<b>Total</b>	<b>48,53,158</b>	<b>27,19,308</b>

**NOTE 27 : CURRENT TAX LIABILITIES**

₹

PARTICULARS	AS AT 31-03-2019	AS AT 31-03-2018
Provision for Income tax (Net of Advance tax and TDS of ₹ 2,05,438/-)	1,50,10,836	-
	<b>1,50,10,836</b>	-

**NOTE 28 : REVENUE FROM OPERATIONS**

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Sale of products</b>		
Manufactured products - Domestic	1,85,16,25,357	1,29,23,83,820
Manufactured products - Export	1,96,11,14,858	55,95,22,639
<b>Sale of Services</b>		
Export Incentives	2,70,84,157	1,53,54,293
<b>Total Revenue from operations</b>	<b>3,83,98,24,372</b>	<b>1,86,72,60,752</b>

**28.1** Export and other incentives have been recognized on the following : Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India scheme under Foreign Trade Policy of India.

**NOTE 29 : OTHER INCOME**

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Interest Income on</b>		
Deposits and Margin money held	22,83,354	20,15,715
Gain on foreign currency transactions & translations	-	36,83,641
Government Grant amortized	15,24,716	15,24,716
Miscellaneous Income	21,32,861	4,58,992
<b>Total</b>	<b>59,40,931</b>	<b>76,83,064</b>

**NOTE 30 : COST OF MATERIALS CONSUMED**

₹

<b>PARTICULARS</b>	<b>For the year ended 31.03.2019</b>	<b>For the year ended 31.03.2018</b>
<b>Raw Material Consumption</b>		
Opening Stock	32,54,31,582	44,24,02,768
Add: Purchases	2,34,50,88,835	1,24,36,99,801
	2,67,05,20,417	1,68,61,02,569
Less: Closing Stock	13,05,71,128	32,54,31,582
	2,53,99,49,289	1,36,06,70,987
<b>Packing Material Consumption:</b>		
Opening Stock	21,33,848	11,47,658
Add: Purchases	3,17,27,165	2,40,52,905
	3,38,61,013	25,200,563
Less: Closing Stock	27,99,685	21,33,848
	3,10,61,328	2,30,66,715
<b>Total</b>	<b>2,57,10,10,617</b>	<b>1,38,37,37,702</b>

**NOTE 31 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK -IN-PROGRESS**

₹

<b>PARTICULARS</b>	<b>For the year ended 31.03.2019</b>	<b>For the year ended 31.03.2018</b>
<b>Opening Stock of inventories</b>		
Work -In - Progress	8,05,12,784	10,45,36,884
Finished goods	52,76,15,425	49,61,62,550
	60,81,28,209	60,06,99,434
<b>Closing Stock of inventories</b>		
Work -In - Progress	12,09,72,227	7,89,49,784
Work-In-Progress (Loss In Fire - Claim Made)	-	9,95,40,186
Finished goods	30,15,83,894	52,76,15,425
	42,25,56,121	70,61,05,395
<b>Increase/(Decrease) in inventories of finished goods and work-in-progress</b>	<b>18,55,72,088</b>	<b>(10,54,05,961)</b>

**NOTE 32 : EMPLOYEE BENEFIT EXPENSES**

₹

<b>PARTICULARS</b>	<b>For the year ended 31.03.2019</b>	<b>For the year ended 31.03.2018</b>
Salaries & Wages	12,49,65,355	8,45,09,840
Directors' Remuneration & Commission	54,28,658	36,00,000
Contribution to provident fund & other funds	97,47,656	82,23,873
Gratuity Expenses	18,48,745	31,19,585
Compensated absence	37,53,952	44,15,869
Ex-Gratia	-	7,58,240
Staff Welfare Expenses	1,26,27,515	1,13,05,437
<b>Total</b>	<b>15,83,71,881</b>	<b>11,59,32,844</b>


**NOTE 33 : FINANCIAL COSTS**

₹

<b>PARTICULARS</b>	<b>For the year ended 31.03.2019</b>	<b>For the year ended 31.03.2018</b>
Interest on term loan	1,63,57,434	1,48,39,050
Interest on working capital loan	2,34,26,104	2,29,88,894
Interest to others	1,61,35,908	2,08,02,951
Interest on financial liabilities recognised on amortized cost	22,34,902	24,58,265
Bank Charges & Processing Fee	60,62,558	51,43,638
Cash Discount	53,60,280	29,48,130
Net Loss on foreign currency transactions	98,64,117	-
<b>Total</b>	<b>7,94,41,302</b>	<b>6,91,80,928</b>

**NOTE 34 : OTHER EXPENSES**

₹

<b>PARTICULARS</b>	<b>For the year ended 31.03.2019</b>	<b>For the year ended 31.03.2018</b>
<b>Manufacturing Expenses</b>		
Consumption of stores, spares & consumables	4,24,58,198	2,28,74,029
Power and Fuel	26,04,32,534	16,93,70,210
Insurance	76,83,590	26,97,095
Effluent treatment expenses	6,00,40,750	4,11,32,169
Freight Inwards	12,29,494	10,99,119
Water Transport Charges	60,03,000	21,00,600
Factory maintenance	1,65,20,364	76,61,192
Repairs & maintenance		
Plant and machinery	1,16,91,638	83,62,894
Buildings	80,14,050	2,73,78,731
Others	6,68,285	6,09,737
Testing and Lab charges	13,98,010	5,94,997
	41,61,39,913	28,38,80,773
<b>Administration, Selling and Other Expenses</b>		
Rent	18,00,000	16,13,200
Rates and taxes	19,38,479	5,92,289
Research & Development expenses	86,90,940	80,01,633
Printing and stationery	11,09,199	8,77,706
Consultancy and other professional charges	88,09,213	35,57,896
Remuneration to auditors		
- Audit Fee	6,00,000	6,00,000
- Other services	-	25,000
- Out of pocket expenses	-	25,000
Tax audit fee	50,000	50,000
Remuneration to cost auditors	75,000	75,000
Remuneration to Internal Auditors	2,00,000	200,000
Travelling and conveyance	38,96,531	26,85,286
Communication expenses	12,62,364	12,54,837
Vehicle Maintenance	36,35,658	33,52,187
Other selling expenses	5,24,24,961	1,14,58,191
Miscellaneous Expenses	1,12,76,870	46,84,209
	9,57,69,215	3,90,52,434
<b>Total</b>	<b>51,19,09,128</b>	<b>32,29,33,206</b>

**NOTE 35 : INSURANCE CLAIM :**

During the course of operations, a fire accident occurred in one of the production blocks on 20-05-2017. Part of the Civil structures, Plant and Electrical Equipment worth ₹ 9.71 crores got damaged. The Company has lodged a claim under the reinstatement policy for ₹ 12.41 crores towards the damages and the insurance company has disbursed ₹ 5.18 crores on ad hoc basis. The Company has accounted loss as per Ind AS 16, ("Property, Plant and Equipment") Ind AS 36 ("Impairment of Assets"), net of ad hoc amount released by insurance company. The Company has also lodged a claim under consequential loss policy and both the claims are pending with the insurance company for final settlement.

**NOTE 36 : TAXES**

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>a. Income Tax Expense recognised in the Statement of Profit &amp; Loss:</b>		
Current Tax	5,27,33,749	-
Adjustment for MAT	(5,27,33,749)	-
Deferred tax Charge/(Credit)	10,83,82,895	(4,45,05,668)
<b>Total Income tax Expenses recognised in statement of profit &amp; loss</b>	<b>10,83,82,895</b>	<b>(4,45,05,668)</b>
Net (gain)/ loss on Measurement of Defined Benefit plan net of Deferred tax Charged/(Credit) to OCI	97,27,346	44,95,627
<b>b. Reconciliation of effective tax rate:</b>		
Profit before tax (A)	29,12,48,677	(5,75,22,590)
Enacted tax rate in India (B)	29.12%	33.06%
Expected Tax Expenses (C=A*B)	8,48,11,615	(1,90,18,694)
Adjustments for permanent difference:		
Weighted deduction U/s 35 (2AB) under the Income Tax Act,1961	(53,51,729)	(1,29,93,147)
Expenses not deductible for tax purpose	50,05,517	2,96,54,463
Tax due to change in tax rate	(22,70,242)	-
Others	8,35,61,782	(9,37,47,406)
<b>Total</b>	<b>8,09,45,329</b>	<b>(7,70,86,090)</b>
Profit after adjusting permanent difference	37,21,94,006	(13,46,08,680)
Expected Tax expenses	10,83,82,895	(4,45,05,668)
Total Tax expense	10,83,82,895	(4,45,05,668)



### NOTE 37 : 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 31.03.2019	For the year ended 31.03.2018
Retained Earnings:		
Remeasurement costs on net defined benefit liability	1,37,23,682	67,16,207
Deferred tax effect on remeasurement costs on net defined benefit liability	(39,96,336)	(22,20,580)
<b>Total</b>	<b>97,27,346</b>	<b>44,95,627</b>

### NOTE 38 : EARNINGS PER SHARE

**38.1** Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

#### 38.2 The Basic and diluted EPS per share is given hereunder

PARTICULARS		For the year ended 31.03.2019	For the year ended 31.03.2018
Profit / (Loss) as per Profit and Loss Account	₹	18,28,65,783	(1,30,16,922)
Net Profit / (Loss) attributable to Equity Share holders	₹	18,28,65,783	(1,30,16,922)
Equity Shares outstanding at the beginning of the year	Nos.	77,93,700	50,53,700
Equity Shares outstanding at the close of the year	Nos.	83,09,700	77,93,700
Weighted average No of equity shares in computing basic EPS	Nos.	81,17,437	62,17,262
Add : Share Warrants	Nos.	1,92,263	2,26,192
Weighted Average number of Equity Shares in computing diluted earnings per share	Nos.	83,09,700	64,43,453
Face value of each equity share	₹	10	10
Earnings per share			
- Basic (₹)	₹	22.53	-2.09
- Diluted (₹)	₹	22.01	-2.02

## NOTE 39 : EMPLOYEE BENEFITS

### 39.1 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 summarize 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	March 31, 2019	March 31, 2018	
<b>A) Net employee benefit expense (recognised in Employee benefits expenses)</b>			
Current service cost	20,02,723	15,79,716	
Interest cost	(1,53,978)	15,39,869	
Expected return on plan assets	-	-	
Net actuarial( gain) / loss recognised in the period/ year	15,93,372	(60,32,525)	
Benefits paid	(14,06,777)	(52,913)	
<b>Net employee benefit expenses</b>	<b>20,35,340</b>	<b>(29,65,853)</b>	
Actual return on plan asset	-	-	
<b>B) Amount recognised in the Balance Sheet</b>			
Defined benefit obligation	1,90,70,505	1,54,97,475	
Fair value of plan assets	<b>1,92,69,274</b>	<b>1,81,04,452</b>	
	<b>(1,98,769)</b>	<b>(26,06,977)</b>	
<b>C) Changes in the present value of the defined benefit obligation</b>			
<b>Opening defined benefit obligation</b>	1,54,97,475	2,00,86,304	
Current service cost	20,02,723	15,79,716	
Interest cost	11,71,075	15,39,869	
Benefits paid	(17,18,077)	(16,75,889)	
Remeasurement due to financial assumptions	5,23,937	-	
Net Actuarial (gains) / losses on obligation for the year recognised under OCI	15,93,372	(60,32,525)	
<b>Closing defined benefit obligation</b>	<b>1,90,70,505</b>	<b>1,54,97,475</b>	
<b>D) Change in the fair value of plan assets</b>			
<b>Opening fair value of plan assets</b>	1,81,04,452	1,97,27,428	
Interest Income on Planned assets	13,25,053	-	
Contributions	1,51,070	-	
Benefits paid	(17,18,077)	(16,75,889)	
Actuarial gain/(loss) on plan assets	14,06,777	52,913	
<b>Closing fair value of plan assets</b>	<b>1,92,69,275</b>	<b>1,81,04,452</b>	
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%	
<b>E) Remeasurement adjustments:</b>			
Experience loss/ (gain) on plan liabilities	15,93,372	(60,32,525)	
Experience loss/ (gain) on plan assets	-	-	
Demographic loss/ (gain) on plan liabilities	-	-	
Demographic loss/ (gain) on plan assets	-	-	
<b>Remeasurement gains/(losses) recognised in other comprehensive income:</b>	<b>15,93,372</b>	<b>(60,32,525)</b>	



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

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Discount rate	7.65%	8.00%
Expected rate of return on assets	0.00%	0.00%
Salary rise	4.00%	4.00%
Attrition Rate	3.00%	3.00%

The estimates of future salary increases, considered in the actuarial valuation, take into account 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 year are as follows:

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Defined benefit obligation	1,90,70,505	1,54,97,475
Plan assets	1,92,69,275	1,81,04,452
Surplus / (deficit)	(1,98,770)	(26,06,977)

**39.2 Leave Encashment**

**Defined Benefit Plans**

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>A) Net employee benefit expense (recognised in Employee benefits expenses)</b>		
Current service cost	36,79,781	36,83,130
Interest cost	9,72,670	7,32,739
Expected return on plan assets	-	-
Net actuarial( gain) / loss recognised in the period/ year	(36,87,825)	(6,93,682)
Benefits paid	(5,87,330)	(8,73,373)
<b>Net employee benefit expenses</b>	<b>3,77,296</b>	<b>28,48,814</b>
Actual return on plan asset	-	-
<b>B) Amount recognised in the Balance Sheet</b>		
Defined benefit obligation	1,31,77,850	1,24,28,222
Fair value of plan assets	1,24,08,663	1,19,93,529
	<b>7,69,187</b>	<b>4,34,693</b>
<b>C) Changes in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	1,24,28,222	96,22,434
Current service cost	36,79,781	36,83,130
Interest cost	9,72,670	7,32,739
Benefits paid	(5,39,691)	(9,16,399)
Remeasurement due to financial assumptions	3,24,694	-
Net Actuarial (gains) / losses on obligation for the year recognised under OCI	(36,87,825)	(6,93,682)
<b>Closing defined benefit obligation</b>	<b>1,31,77,851</b>	<b>1,24,28,222</b>

₹

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>D) Change in the fair value of plan assets</b>		
<b>Opening fair value of plan assets</b>	1,19,93,529	1,18,93,590
Expected return on plan assets	13,525	-
Contributions	9,41,300	(7,73,434)
Benefits paid	(5,39,691)	8,73,373
Actuarial gain/(loss) on plan assets		-
<b>Closing fair value of plan assets</b>	<b>1,24,08,663</b>	<b>1,19,93,529</b>
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%
<b>E) Remeasurement adjustments:</b>		
Experience loss/ (gain) on plan liabilities	(36,87,825)	(6,93,682)
Experience loss/ (gain) on plan assets	-	-
Demographic loss/ (gain) on plan liabilities	-	-
Demographic loss/ (gain) on plan assets	-	-
<b>Remeasurement gains/(losses) recognised in other comprehensive income:</b>	<b>(36,87,825)</b>	<b>(6,93,682)</b>

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

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Discount rate	7.65%	8.00%
Expected rate of return on assets	0.00%	0.00%
Salary rise	4.00%	4.00%
Attrition Rate	3.00%	3.00%

The estimates of future salary increases, considered in the actuarial valuation, take into account, 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.

**39.3 Defined Contribution Plan**

₹

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Contribution to Provident Fund	7,738,116	6,491,783
Contribution to Superannuation Fund	-	-



#### NOTE 40 : COMMITMENTS & CONTINGENCIES

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>a. Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances)	75,41,129	86,17,914
	<b>75,41,129</b>	<b>86,17,914</b>
<b>b. Contingent Liabilities:</b>		
i) Outstanding bank guarantees	8,50,83,487	-
ii) Letters of Credit	3,99,57,759	85,07,564
iii) Demand for direct taxes under appeal	-	71,50,479
	<b>12,50,41,246</b>	<b>1,56,58,043</b>

#### NOTE 41 : SEGMENT REPORTING :

There are no separate reportable segments as per Indian Accounting Standard (Ind AS) 108 on operating segments, as the entire operations of the Company relate to one segment viz. agrochemicals.

#### NOTE 42 : PAYMENTS TO AUDITORS (excluding GST & Service Tax)

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>A) Statutory auditors</b>		
Statutory audit	6,00,000	6,00,000
Tax audit fees	-	50,000
Others	-	25,000
Reimbursement of expenses	-	25,000
	<b>6,00,000</b>	<b>7,00,000</b>
<b>B) Cost auditors</b>		
Audit fee	75,000	75,000
Filing fee	3,000	3,000
Reimbursement of expenses	1,500	1,500
	<b>79,500</b>	<b>79,500</b>

#### NOTE 43 : RESEARCH AND DEVELOPMENT

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Details of expenditure on R &amp; D</b>		
<b>i) Details of Revenue expenditure</b>		
<b>Cost of Materials Consumed</b>		
Laboratory Expenses and Consumables	44,12,807	49,04,346
<b>Employee Benefits Expenses</b>		
Salaries, Wages and Bonus	42,43,718	26,79,317
<b>Other Expenses</b>		
Repairs and Maintenance	34,415	4,17,970
<b>ii) Capital Expenditure</b>		
Plant & Machinery	6,70,839	59,94,886
Building related material	-	4,99,108
	<b>93,61,779</b>	<b>1,44,95,627</b>

**NOTE 44 : Related party disclosures****Names of related parties and description of relationship**

<b>Name of the related party</b>	<b>Relationship</b>
<b>Enterprises under the significant influence of persons having significant influence over this company</b> Nagarjuna Agrichem Limited	Mr.K.S.Raju, Chairman, is interested.
<b>Enterprises under the control of persons having significant influence over this company</b> Greenpath Energy Private Limited	Mr.S.Chandra Sekhar & Mrs.S.Lalitha Sree Directors, are interested.
<b>Key Management Personnel</b> S Chandra Sekhar D Ranga Raju K S Raju Ketan Chamanlal Budh Sudhakar Kudva D Sada Sivudu S Lalitha Sree G S V Krishna Rao A Lakshmi Sowjanya A Arvind Kumar B Murali B Krishna Mohan Rao B N Suvarchala	Managing Director Chairman (Until 14-06-2018) Chairman (From 14-08-2018) Whole time Director (w.e.f 14.05.2019) Independent Director Independent Director Director Independent Director (w.e.f 13-11-2018) Independent Director (w.e.f 14-08-2018) Chief Executive Officer (w.e.f 14-05-2019) Chief Financial Officer (Until 31-05-2018) Chief Financial Officer (From 14-08-2018) Company Secretary

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


**Transactions during the year:**

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>a) Enterprises under the significant influence of persons having significant influence over this company</b>		
<b>i) Nagarjuna Agrichem Limited</b>		
Sales of Finished Goods (net of duties and taxes)	11,42,31,670	8,52,80,500
<b>b) Enterprises under the Control of persons having significant influence over this company</b>		
<b>i) Greenpath Energy Private Limited</b>		
Loans taken during the year from the enterprise	-	1,10,00,000
Loans repaid during the year to the enterprise	8,90,15,203	79,00,000
Interest on Loans paid to the enterprise	38,75,737	83,65,068
<b>c) Key Management Personnel</b>		
<b>i) S Chandra Sekhar</b>		
Remuneration including commission	56,87,858	38,59,200
Unsecured loans taken from him	1,85,00,000	10,68,00,000
Unsecured loans Repaid to him	3,08,92,244	16,30,00,000
Interest on Unsecured loans paid to him	5,44,856	64,35,243
<b>ii) D Ranga Raju</b>		
Sitting Fees	30,000	100,000
<b>iii) K S Raju</b>		
Sitting Fees	50,000	10,000
<b>iv) Sudhakar Kudva</b>		
Sitting Fees	100,000	120,000
<b>v) D Sadasivudu</b>		
Sitting Fee	30,000	70,000
<b>vi) S Lalitha Sree</b>		
Sitting Fee	40,000	40,000
<b>vii) G S V Krishna Rao</b>		
Sitting Fee	30,000	-
<b>viii) A Lakshmi Sowjanya</b>		
Sitting Fee	70,000	-
<b>ix) A Arvind Kumar</b>		
Remuneration	33,35,952	26,92,752
<b>x) B Krishna Mohan Rao</b>		
Remuneration	14,62,761	-
<b>xi) B N Suvarchala</b>		
Remuneration	6,67,190	5,34,352
<b>xii) B Murali</b>		
Remuneration	4,93,120	30,96,665

## Closing Balances

₹

PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>a) Enterprises under the Control of persons having significant influence over this company</b>		
<b>Greenpath Energy Private Limited</b>		
Unsecured loans payable	-	8,51,39,466
<b>b) Key Management Personnel</b>		
<b>S Chandra Sekhar</b>		
Unsecured loans payable	-	1,18,47,388
Remuneration payable	-	2,64,467
Commission Payable	18,28,658	-
Guarantee given for borrowings	45,45,64,852	39,25,82,678

## NOTE 45 : FAIR VALUES

The carrying amounts and fair values of financial instruments by category are as follows:

₹

PARTICULARS	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial assets at fair value through profit &amp; loss</b>				
Investments	-	-	-	-
<b>Financial Assets at amortised cost</b>				
Loans	2,14,04,125	2,13,91,125	-	-
Deposits & Others	1,02,91,040	9,67,05,582	-	-
Trade Receivables	84,23,07,302	35,57,44,382	-	-
Cash & Cash Equivalents	2,30,56,811	3,44,27,200	-	-
Bank Balances other than above	75,04,654	14,72,138	-	-
<b>Financial Liabilities at amortised cost</b>				
Borrowings (Non Current & Current)	47,36,91,242	61,15,19,661	1,91,26,390	2,23,49,021
Interest accrued	15,24,716	15,24,716	-	-
Trade Payables	82,50,15,737	65,53,30,213	-	-
Capital Creditors & Others	10,91,40,351	10,52,49,237	-	-

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.



## NOTE 46 : RISK MANAGEMENT

### Financial Risk Management objectives & Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity exposes it to market risk, commodity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the Company evaluates various options and may enter into derivative financial instruments like foreign exchange forward contracts, foreign currency option contracts in order to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives, if entered into, are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's financial risk management policy is set by the Managing Director and governed by overall direction of Board of Directors of the Company. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rate, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

#### 46.1 Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

##### a) 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	₹	
	March 31, 2019	March 31, 2018
Not Due	-	-
0 - 90 Days	58,89,29,380	27,63,39,844
90 - 180 Days	8,19,25,736	3,92,54,266
180 - 270 Days	16,14,99,803	3,98,12,909
270 - 365 Days	18,79,352	-
More than 365 Days	80,73,031	3,37,363
	<b>84,23,07,302</b>	<b>35,57,44,382</b>

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.

#### b) Cash and Cash Equivalents

The Company held cash and cash equivalents of ₹ 2,30,56,811 at March 31, 2019 (March 31, 2018: ₹ 3,44,27,200). The cash and cash equivalents are held with bank.

#### 46.2 Liquidity Risk

Liquidity risk is the risk in terms of difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital loans from bank. The borrowed funds are generally applied for company's own operational activities.

#### Exposure to liquidity risk:

##### a) The following are the remaining contractual maturities of financial liabilities at the reporting date.

The amounts are gross and undiscounted :

	₹				
PARTICULARS	Up to 1 Year	1 to 3 Year	3 to 5 Years	> 5 Years	Total carrying amount
<b>31-Mar-19</b>					
Non Current Borrowings (Including current maturities)	5,24,68,063	5,41,44,451	1,08,43,744	1,89,12,927	13,63,69,185
Current Borrowings	35,45,74,121	-	-	-	35,45,74,121
Interest Payable	15,24,716	-	-	-	15,24,716
Trade Payables	82,50,15,737	-	-	-	82,50,15,737
Other Payables	10,91,40,351	-	-	-	10,91,40,351
	<b>1,34,27,22,988</b>	<b>5,41,44,451</b>	<b>1,08,43,744</b>	<b>1,89,12,927</b>	<b>1,42,66,24,110</b>
<b>31-Mar-18</b>					
Non Current Borrowings (Including current maturities)	6,82,18,586	8,29,68,327	3,32,43,029	1,89,12,927	20,33,42,869
Current Borrowings	42,54,98,862	-	-	-	42,54,98,862
Interest Payable	15,24,716	-	-	-	15,24,716
Trade Payables	65,53,30,213	-	-	-	65,53,30,213
Other Payables	10,52,49,237	-	-	-	10,52,49,237
	<b>1,25,58,21,614</b>	<b>8,29,68,327</b>	<b>3,32,43,029</b>	<b>1,89,12,927</b>	<b>1,39,09,45,897</b>



## 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. 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.

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Floating rate instruments</b>		
<b>Financial Liabilities - measured at amortised cost</b>		
Term loans from banks	9,99,90,731	16,36,71,778
Working capital facilities from bank	35,45,74,121	28,73,81,857
Bills Discounting	-	3,60,78,834
Credit Card Dues	-	50,51,317
<b>Fixed rate instruments</b>		
Loans from intercorporates (Unsecured)	-	8,51,39,466
Loans from Directors (Unsecured)	-	1,18,47,388
<b>Total</b>	<b>45,45,64,852</b>	<b>58,91,70,640</b>

### 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.

<b>Cash flow sensitivity (net)</b>	<b>Profit or loss</b>	
	<b>25 bp increase</b>	<b>25 bp decrease</b>
<b>31-Mar-19</b>		
Variable rate loan instruments	11,36,412	(11,36,412)
<b>31-Mar-18</b>		
Variable rate loan instruments	14,72,927	(14,72,927)

### 46.3 a) Market Risk

Market risk is the possibility of losses that may be incurred by the company due to factors that affect the overall performance of the company – such as foreign exchange rates, interest rates, recessions etc. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily due to the fluctuations in the rate of interest for borrowings from banks, recession in the market, foreign exchange rate fluctuation etc.

### b) 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 payables. 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.

### c) Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 & March 31, 2018 are in Indian Rupees. ₹

PARTICULARS	March 31, 2019	March 31, 2018
	USD	USD
Financial Assets		
Cash & Cash equivalents	8,45,829	70,075
Trade & Other Receivables	52,95,97,012	14,30,58,995
	53,04,42,841	14,31,29,070
Financial Liabilities		
Trade & Other Payables	34,22,50,723	25,78,94,216
Advance from Customers	15,69,819	-
	34,38,20,541	25,78,94,216
<b>Net Exposure</b>	<b>18,66,22,299</b>	<b>(11,47,65,147)</b>



### 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.

#### 31-Mar-19

₹

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>1% movement</b>				
USD	18,66,223	(18,66,223)	-	-
	18,66,223	(18,66,223)	-	-

#### 31-Mar-18

₹

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>1% movement</b>				
USD	(11,47,651)	11,47,651	-	-
	(11,47,651)	11,47,651	-	-

### 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 credit worthiness 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.

### NOTE 47 : CAPITAL RISK MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹

PARTICULARS	March 31, 2019	March 31, 2018
Non Current borrowings	6,66,49,059	11,78,02,213
Current borrowings	35,45,74,121	42,54,98,862
Current maturities of long term debts	5,39,92,779	6,97,43,302
<b>Total Debts</b>	<b>47,52,15,958</b>	<b>61,30,44,377</b>

₹

<b>PARTICULARS</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Less: Cash & Cash equivalents	2,30,56,811	3,44,27,200
Other bank deposits	75,04,654	14,72,138
Adjusted net debts	<b>44,46,54,494</b>	<b>57,71,45,039</b>
Equity	8,33,42,500	7,81,82,500
Other Equity	1,19,76,29,527	94,01,49,398
<b>Total Equity</b>	<b>1,28,09,72,027</b>	<b>1,01,83,31,898</b>
Adjusted net debt to equity ratio	0.35	0.57

**NOTE 48 :** Figures of the Previous year are regrouped / reclassified wherever considered necessary and rounded off to the nearest rupee.

As per our report of even date

**For S Singhvi & Co.**

Chartered Accountants  
Firm Regi. No.: 003872S

**Shailendra Singhvi**

Proprietor  
Membership No. : 023125/ICAI

Place : Hyderabad  
Date : 14.05.2019

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

**K S Raju**

Chairman  
DIN NO. 00008177

**B Krishna Mohan Rao**  
Chief Financial Officer

**S Chandra Sekhar**

Managing Director  
DIN NO. 00159543

**B N Suvarchala**  
Company Secretary



## Notes

1. A Member entitled to attend and vote at the Annual General Meeting (the "meeting" or "AGM") is entitled to appoint a proxy to attend and vote in the poll instead of himself/herself and the proxy so appointed need not be a member of the Company.  
A person can act as proxy on behalf of a maximum of fifty members whose aggregate holding does not exceed ten percent of the total share capital, carrying voting rights of the Company.  
The proxy form, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Corporate member(s) intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 (Act) authorizing their representatives to attend and vote on their behalf at the meeting.
3. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, and pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 which sets out details relating to the ordinary/special business to be transacted at the meeting, is annexed hereto.
4. Brief profile of Directors proposed to be appointed/re-appointed along with the names of the companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard-2 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished and forms part of the notice.
5. The registers i.e. Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Act respectively will be available for inspection to the members at the meeting.
6. The register of members and share transfer books of the Company will remain closed from 03<sup>rd</sup> August, 2019 to 09<sup>th</sup> August, 2019 (both days inclusive), for the purpose of determining the entitlement of the member to the final dividend for the financial year 2018-19, if declared at the meeting.
7. The final dividend, if declared, shall be paid on or before the 06<sup>th</sup> September, 2019 to those members whose names appear in the register of members as of the close of business hours on 02<sup>nd</sup> August, 2019 as per details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours on 02<sup>nd</sup> August, 2019 in the case of shares held in dematerialized form.
8. The copies of the Annual Report 2018-19 including the notice of the 26<sup>th</sup> Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting, attendance slip and proxy form are being sent by electronic mode to all the members whose e-mail addresses are registered with the Company/Depositories for communication purposes. For members who have not registered their e-mail address, the aforesaid documents are being sent in the permitted mode.
9. Members may also note that the notice of the 26<sup>th</sup> Annual General Meeting, proxy form and the Annual Report 2018-19 shall be placed on the Company's website [www.bhagirad.com](http://www.bhagirad.com). The physical copies will also be available at the registered office of the Company for inspection during normal business hours on working days.
10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agents, M/s. XL Softech Systems Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the concerned Depository Participant by the members.

11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
12. Members holding shares in physical form are requested
  - To advise any change in their address immediately to M/s. XL Softech Systems Limited ("Registrar"), Hyderabad.
  - To update their Bank details already registered with the Company/Registrar, mandate form attached to this annual report may be filled and forwarded to the Registrar to enable the Company to remit the dividend through ECS.
  - To note that effective 05<sup>th</sup> December, 2018, SEBI mandated that the securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail the benefits of dematerialization, members holding shares in physical form are requested to dematerialize the shares held in physical form immediately.
13. To support the 'Green Initiative', members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA/Depositories for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Details of unpaid/unclaimed dividends lying with the Company as on the last Annual General Meeting of the Company is available on the website of the Company i.e. [www.bhagirad.com](http://www.bhagirad.com).
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar.
16. Members seeking any information with regard to the financial statements are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready at the meeting.
17. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.
18. Voting through electronic means: In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility to the members to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their vote using an electronic voting system from a place other than the venue of the meeting ('Remote e-voting'). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the authorized agency to provide e-voting facilities. Instructions for e-voting are given in note no.24
19. Voting at AGM: The facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right to vote at the meeting. The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM.
20. The Board of Directors has appointed Sri Y. Ravi Prasada Reddy, Practicing Company Secretary, (Membership No. FCS .5783 and CP No. 5360) as a Scrutinizer to scrutinize the remote e-voting process and poll at AGM in a fair and transparent manner.



21. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than two (2) days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by the Chairman for counter signature.
22. The Results shall be declared by the Chairman or by an authorized person of the Chairman and the resolutions will be deemed to have been passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolutions.
23. After declaration of the results, the same shall be placed along with the Scrutinizer's Report(s) on the website of the Company [www.bhagirad.com](http://www.bhagirad.com) and communicated to BSE Limited where the shares of the Company are listed for placing the same on their website.
24. E-voting Instructions: The instructions and other information relating to e-voting are as under:
  - a. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - b. Now click on "Shareholders" to cast your votes.
  - c. Now fill up the following details in the appropriate boxes

<b>User ID</b>	For CDSL: 16 digits beneficiary ID For NSDL: 8 Character DP ID followed by 8 Digits Client ID For Physical shares: Enter Folio Number registered with the Company
----------------	---

- d. Next enter the Image Verification as displayed and click on Login.
- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- f. If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	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).

- g. After entering these details appropriately, click on "SUBMIT" tab.

- h. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Now select the Electronic Voting Sequence Number (EVSN) along with **"Bhagiradha Chemicals & Industries Limited"** from the drop down menu and click on "SUMBIT".
- k. On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. The option "YES" implies that you assent to the Resolution and Option "NO" implies that you dissent to the Resolution. Enter the number of shares (which represents number of votes) under "YES/NO" or alternatively you may partially enter any number in "YES" and partially in "NO", but the total number in "YES" and "NO" taken together should not exceed your total shareholding.
- l. Click on the "RESOLUTION FILE LINK" if you wish to view the entire notice or resolution details.
- m. 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.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- m. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- n. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- o. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- p. Note for Non – Individual Shareholders and Custodians
- q. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- r. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- s. 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.
- t. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- u. 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.
- v. In case you have any queries or issues regarding remote e-voting, please write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Members can also refer to Frequently Asked Questions ("FAQs") available under the "HELP" section on [www.evotingindia.com](http://www.evotingindia.com).



## Other Instructions

- I. The remote e-voting will commence on 06<sup>th</sup> August, 2019 (10:00 a.m. IST) and ends on 08<sup>th</sup> August, 2019 (6:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on 02<sup>nd</sup> August, 2019 i.e. cutoff date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she / it shall not be allowed to change it subsequently.
- II. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. 02<sup>nd</sup> August, 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cutoff date i.e. 02<sup>nd</sup> August, 2019 shall only be entitled to avail the facility of remote e-voting and voting at the meeting through ballot.
- III. Any person who becomes a member of the Company after the dispatch of the notice of the meeting and holding shares as on the cut-off date i.e. 02<sup>nd</sup> August, 2019 may write to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or to the Company at [info@bhagirad.com](mailto:info@bhagirad.com) for User ID and password or follow the instructions in note no. 24 for casting their vote. If the member is already registered with CDSL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

## 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 31.03.2019 (In ₹)	Due Date for transfer to IEPF
2013-14	11-08-2014	81,386	09-09-2021
2014-15	08-08-2015	98,820	06-09-2022

- 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 are 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.

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## BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

CIN: L24219TG1993PLC015963

8-2-269/S/3/A, 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: .....

as my / our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 26th Annual General Meeting of the Company, to be held on Friday, 09<sup>th</sup> August, 2019 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
1	Consider and Adopt: Audited Financial Statements, Reports of the Board of Directors and Auditors for the FY:2018-19			
2	Declaration of Dividend of ₹ 2/- per share on Equity Shares for the FY:2018-19			
3	Re-appointment of Sri K.S.Raju as Non-Executive Director who retires by rotation			
4	Re-appointment of Sri. Sudhakar Kudva as an Independent Non-Executive Director			
5	Appointment of Smt. A. Lakshmi Sowjanya as an Independent Non- Executive Director			
6	Appointment of Sri G.S.V Krishna Rao as an Independent Non-executive Director			
7	Appointment of Sri Ketan Chamanlal Budh as whole time Director			
8	Revision of Remuneration and other terms & conditions of the appointment of Mr. S. Chandra Sekhar (DIN: 00159543), Managing Director of the Company.			
9	To ratify the remuneration of Cost Auditors for the financial year 2019-20			

Signed this ..... day of ..... 2019 .

.....

Signature of the proxy holder(s)

Affix  
₹1.00  
Revenue  
Stamp

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

8-2-269/S/3/A, Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad -500034;

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

### ATTENDANCE SLIP

#### 26<sup>th</sup> Annual General Meeting (AGM) – 09<sup>th</sup> August, 2019

Folio No. / DP ID No. / Client ID No.	
Name and registered address of the member	
Name(s) of the Joint Holder(s) if any	
Number of Shares held	
Full Name of the Proxy (IN BLOCK LETTERS)	

I certify that, I am a member/proxy for the member of the Company. I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company held on 09<sup>th</sup> August, 2019 at 11:00 a.m. at Hotel Green Park, Greenlands, Ameerpet, Hyderabad - 500016.

#### SIGNATURE OF THE MEMBER/PROXY

1. Members are requested to handover the attendance slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members/Proxy holders are requested to bring their copies of the Annual Report to the AGM.
2. Only members/representatives of the Corporate members or proxies are allowed to attend the AGM. Bodies Corporate, whether a company or not, who are members, may attend through their authorized representatives appointed under Section 113 of the Companies Act, 2013 (Act). A copy of authorization should be deposited with the Company

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Date:

To  
M/s XI Softech Systems Limited

**Unit : Bhagiradha Chemicals & Industries Limited**

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

Dear Sir/Madam,

**Payment of Dividend through NECS (NECS Mandate Form)**

I/We hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the Folio mentioned hereunder, directly to my/our bank account through the National Electronic Clearing Service (NECS)

**The details are given below:**

Folio No.	
Name of First / Sole Shareholder	
First Shareholders Address	
Email Id	
Mobile No.	

**Bank Particulars:**

Name of Bank in Full		
Branch Name & Address		
IFS Code		
9 Digits Code Number of the Bank and branch as appearing on the MICR cheque		
Account No		
Type of Account (Please tick (√) at Appropriate Box)	Savings	Current

I/We, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we would not hold the Company or Registrar and Share Transfer Agent of the Company responsible. I/We undertake to inform any subsequent changes in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS.

Place:

(Signature of Sole/First holder)

**Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account.**

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## E-MAIL REGISTRATION FORM

(Exclusively for Shareholders holding shares in physical form)

To  
M/s. XI Softech Systems Limited  
**Unit : Bhagiradha Chemicals & Industries Limited**  
Plot No.3, Sagar Society,  
Road No.2, Banjara Hills,  
Hyderabad – 500034

Dear Sir,

### Sub: Registration of E-mail

### Green Initiative in Corporate Governance

I am the Shareholder of the Company. I want to receive all communication from the Company including the Notices, Annual Reports and any other related documents through E-mail. Kindly register my E-mail ID which is mentioned below in your records for sending communication through E-mail.

Regd. Folio No. : \_\_\_\_\_  
Name of First Shareholder : \_\_\_\_\_  
Name(s) of Joint Shareholder(s) : \_\_\_\_\_  
E-mail ID to be registered : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date:

Signature of the first named Shareholder

Notes :

1. On registration of E-mail, all the communications, including the Annual Reports, will be sent at the said registered E-mail.
2. Holders of Shares in demat form are requested to register/update their E-mail Id with their respective Depository Participant.

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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](mailto:info@bhagirad.com)

### **Factory**

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