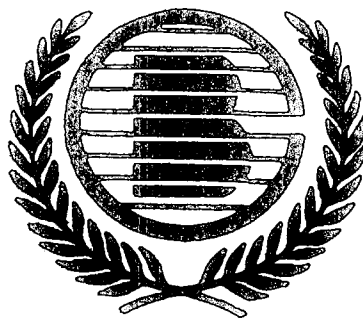


5th ANNUAL REPORT 1997-98

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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Bhagiradha Chemicals & Industries Limited



**ANNUAL REPORT 1997-98****BOARD OF DIRECTORS**

D. Jai Ramesh	<i>Director</i>
D. Ranga Raju	<i>Director</i>
C. Vidya Sagar	<i>Executive Director</i>
D. Sadasivudu	<i>Executive Director</i>
S. Koteswara Rao	<i>Managing Director</i>

BANKERS

ICICI Banking Corporation Limited

AUDITORS

U.C. Bhandari & R. Kankaria
Chartered Accountants
Hyderabad - 500 482.

**REGISTERED OFFICE**

8-2-248/A/B,
Road No. 3,
Banjara Hills,
Hyderabad - 500 034.

FACTORY

Cheruvukommupalem Village
Yerajarla Road
Ongole Mandal
Prakasam District
Andhra Pradesh



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the **Fifth Annual General Meeting** of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held at 2.30 p.m. on Saturday, the 26th day of September, 1998 at Hotel Green Park, Ameerpet, Hyderabad - 500 016 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Auditors' Report and the Audited Profit and Loss Account for the financial year ended 31st March, 1998 and the Balance Sheet as at that date.
2. To appoint a Director in place of Shri D. Ranga Raju, who retires by rotation in terms of Article 143 of the Company's Articles of Association and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri D. Sadasivudu, who retires by rotation in terms of Article 143 of the Company's Articles of Association and being eligible, offers himself for reappointment.
4. To appoint M/s. U.C. Bhandari & R. Kankaria, Chartered Accountants, as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board.

By Order of the Board
For **BHAGIRADHA CHEMICALS &
INDUSTRIES LTD.**

Registered Office :
8-2-248/A/B, Road No.3,
Banjara Hills,
Hyderabad - 500 034.
Date : 29.06.1998

S. KOTESWARA RAO
Managing Director

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 12th day of September, 1998 to Saturday, the 26th day of September, 1998 (both days inclusive).
2. Members are requested to notify the change of address, if any, to the company and to bring their copy of the Annual Report to the Meeting.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead and such proxy need not be member of the company. The proxy forms should be lodged with the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
4. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed for attending the meeting.



DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Fifth Annual Report of your Company together with Audited Accounts for the financial year ended 31st March, 1998.

1. FINANCIAL RESULTS

	Amount (Rs. in lakhs)
Sales and other Income	1143.29
Gross Profit	185.12
Less : Depreciation	42.85
Interest	121.86
Profit Before Tax	20.41
Less : Provision for Taxation	2.22
Profit after Taxation	18.19
Add : Balance in Profit & Loss Account brought forward	9.65

2. OPERATIONS

Your company has produced 312 MT of Chlorpyrifos Technical during the financial year under review and sold 324 MT of the product which includes 198 MT of exports. The sales turnover was Rs.1143 lakhs including an export benefit of Rs.85.46 lakhs.

The demand for Chlorpyrifos is growing steadily and your company is making every effort to improve its exports and thus achieve reasonable financial performance.

The company is adding sophisticated process instrumentation and balancing equipment for modernisation and capacity upgradation with additional term loan from ICICI Limited and financial assistance from TIFAC, Department of Science & Technology, Government of India.

3. ENVIRONMENT PROTECTION

Your Company is taking adequate care for the treatment and disposal of effluents. Efforts are also made to raise appropriate green belt in and around the plant area.

4. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Technology Absorption, Adaptation and Innovation

The company is taking steps to further optimise the process technology to enhance the quality of the product and productivity.

b) Conservation of Energy

The requisite information with regard to conservation of energy as required under section 217(1) (e) of the Companies Act, 1956 and the rules made therein, are given in Annexure which is attached hereto and forms part of the Directors' Report.

c) Foreign Exchange Earnings and outgo Rs. in Lakhs

i) Earnings

- Through Merchant Exports	92.02
- Direct Exports	492.50

ii) Outgo	112.32
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BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

5. DIRECTORS

Sri D. Ranga Raju and Sri D. Sadasivudu, Directors, are due to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

6. PARTICULARS REQUIRED UNDER CLAUSE 43 OF THE LISTING AGREEMENT

Particulars	Projected (Rs. in Lakhs)	Actuals (Rs. in Lakhs)
Sales and other income	1170.00	1143.29
Profit after Tax	196.00	18.19

Reasons for Variation :

There was a substantial drop in the selling price of the product during the current year.

7. AUDITORS

The Company's Auditors M/s U.C. Bhandari & R. Kankaria, Chartered Accountants, are due to retire at the close of the Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility under Section 224(1B) of the Companies Act, 1956.

8. AUDITORS' REPORT

The Auditors in their Audit Report referred note forming part of the accounts which is self explanatory and do not require further explanations.

9. The Company has no employee drawing remuneration in excess of the stipulated sum which attracts disclosure provisions under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

10. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the support and co-operation which the company continues to receive from various Statutory Organisations, its Customers, the Financial Institutions, the Company's Bankers and the members of the company. Your Directors also place on record their appreciation of the services rendered and co-operation extended by the employees of the Company.

For and on behalf of the Board

Place : Hyderabad

Date : 29.06.1998

S. KOTESWARA RAO

Managing Director



ANNUAL REPORT 1997-98

ANNEXURE TO THE DIRECTORS' REPORT

FORM - A
(See Rule - 2)

I. ENERGY CONSERVATION

		For the year ended	
		31.3.1998	31.3.1997
A)	Power and Fuel Consumption		
1.	Electricity		
a)	Purchased units (kWH)	12,94,091	1,71,636
	Total Amount (Rs.)	35,12,471	5,51,687
	Unit Rate (Rs.)	2.71	3.21
b)	Own Generation		
i)	Through Diesel Generation (ltrs)	52,941	5,10,405
	Units	1,28,285	14,86,740
	Units per ltr of Diesel Oil	2.42	2.91
	Total Amount (Rs.)	4,39,310	38,98,707
	Cost / Unit (Rs.)	3.42	2.62
ii)	Through Steam Turbine Generation		
	Units	Nil	Nil
	Units per liter of Diesel Oil	Nil	Nil
	Cost / Unit (Rs.)	Nil	Nil
2.	'C' Grade Coal used in Boiler		
	Quantity (MT)	2753.180	2330.470
	Cost (Rs.)	39,98,241	26,05,894
	Average Rate/MT (Rs.)	1,452	1,118
3.	Furnace Oil		
	Quantity (kL)	Nil	Nil
	Total Amount (Rs.)	Nil	Nil
	Average Rate/kL	Nil	Nil
4.	Others/Internal Generation (Please give details)		
	Quantity	Nil	Nil
	Total Cost	Nil	Nil
	Rate/Unit	Nil	Nil
II.	Consumption per ton of Production		
	Electricity / Own Generation	4,558	7,997
	Furnace Oil	Nil	Nil
	Coal - Quality 'C' Grade	8.822	11.237
	Others (Specify)	Nil	Nil

AUDITORS' REPORT

We have audited the attached Balance Sheet of M/s. **BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED** as at 31st March, 1998 and the Profit & Loss account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we enclose a statement on the matter specified in paragraph 4 & 5 of the said order.
2. Further to our comments in Annexure referred to paragraph 1 above, we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - 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 the books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account, and
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and the profit and loss account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view subject to Note No. 'E' of Schedule 13 (2) :
 - (i) in so far as it relates to the balance sheet, of the state of affairs of the company as at 31st March, 1998, and
 - (ii) in so far as it relates to the profit and loss account, of the profit of the company for the year ended on that date.

For U.C. BHANDARI & R. KANKARIA
Chartered Accountants

Place : Hyderabad
Date : 29.6.1998

RAJENDRA KANKARIA
Partner