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Bhagiradha Chemicals & Industries Limited

**ANNUAL REPORT 2000-2001****BOARD OF DIRECTORS**

D. Ranga Raju

G. Satyanarayana Raju

D. Sadasivudu

S. Koteswara Rao *Managing Director***BANKERS**

ICICI Bank Limited

AUDITORSR. Kankaria & Uttam Singhi
Chartered Accountants
Hyderabad - 500 082**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 Eighth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held at 2.30 P.M. on Saturday, the 29th day of September, 2001 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 & Loss Account for the financial year ended 31st March, 2001 and the Balance Sheet as at that date.
2. To appoint a Director in place of Shri G. Satyanarayana 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 S. Koteswara Rao, 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. R. Kankaria & Uttam Singhi, 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.

SPECIAL BUSINESS

INCREASE IN THE AUTHORISED CAPITAL OF THE COMPANY

5. To consider, and if thought fit, to pass **with** or without modifications, the following resolution as a special resolution.

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the company be and are hereby altered in the manner and to the extent as set out below:

- a. The following definitions shall be added and included in Article 2 of the Articles of Association after the item of definition of "Company's Regulations" and before the sub-clause beginning with the words: "Word importing the singular number."

"Beneficial owner" shall mean beneficial owner as defined under Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996. "Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

"Depositories Act" shall mean Depositories Act, 1996 (22 of 1996) and shall include any statutory modification or re-enactment thereof for the time being in force.

"SEBI" shall mean the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange of India, 1992.

"RECORD" includes the records maintained in the form of books or stored in a computer or in such other form or medium as may be determined by regulations made by the SEBI.

"SECURITY" shall mean such security as may be specified by the SEBI from time to time.

- b. In definition of "MEMBER" as appearing in Article 2, after the words "the shares of the company" and before the words "but does not include" add the words, "and



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includes every person whose name is entered as beneficial owner in the records of a Depository.”

- c. In Article 3 add the words “or the Depositories Act” at the end after the words “as in the Act.”
- d. In Article 16, add the following proviso below.
“Provided that no share certificate(s) shall be issued in respect of shares held in dematerialised form.”
- e. In Article 16, after the abovesaid add the following:
“Every person subscribing to securities offered by the company shall have the option to receive Security Certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificates of the securities.
If a person opts to hold his security with a Depository, the company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security.”
- f. In Article 18, after the words “transferred” add the words “to the beneficial owner thereof as per records of Depositories held pursuant to the Depositories Act,”
- g. The following proviso shall be added below in Article 47:
“Provided that in respect of shares held in dematerialised form, the Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares on behalf of the Beneficial Owner.”
- h. The following Article 47A shall be inserted after the existing Article 47:
“Every Depository shall furnish to the company information regarding the transfer of securities in the name of the Beneficial Owners at such intervals and in such manner as may be specified by the by-laws and the company in that behalf.”
- i. The following Article 48A shall be inserted after the existing Article 48:
“Notwithstanding anything contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the company by means of electronic mode or by delivery of floppies or discs.”

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

(S. KOTESWARA RAO)
Managing Director

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

Date: 29-06-2001



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 20th day of September, 2001 to Saturday, the 29th day of September, 2001 (both days inclusive).
2. Trading in equity shares of the company through stock changes was made in dematerialised/ electronic form w.e.f. April 30, 2001. To facilitate in demat form, the company has entered into agreement with both the depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories. The company also provides the facility of simultaneous transfer and dematerialisation of equity shares.
3. As per the provisions of the amended Companies Act, 1956, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Members holding shares in physical form may send their request for nomination in the prescribed Form 2B duly filled in and signed to the Company's Registrars and Share Transfer Agent viz., M/s. XL Softech Systems Ltd., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034. The facility would be made available folio wise to individual share holders including joint holders and for the entire shares registered under the folio. The members holding shares in dematerialised form may contact and consult their respective depository participants (DP) for availing the nomination facility.
4. The equity shares of the company are listed at the following Stock Exchanges:
 - i. The Hyderabad Stock Exchange Ltd.,
3-6-275, Himayatnagar,
HYDERABAD - 500 029.
 - ii. The Stock Exchange, Mumbai,
Phiroze Jeejeebhay Towers,
Dalal Street, MUMBAI - 400 023.

The company has paid the Annual Listing fees to each of the above Stock Exchanges as per the Listing Agreement.
5. The Share holders may address their communication to the Registrars and Share Transfer Agents at their address mentioned above or to the registered office of the company.
6. 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.
7. 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.
8. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed for attending the meeting.

ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT

ITEM NO.5 (Special Resolution)

After Depositories Act, 1996 was brought into force, various companies as specified by Securities and Exchange Board of India are required to Dematerialise their shares and securities and to permit holding thereof in electronic form. Your Company's shares were accordingly dematerialised for trading with effect from April 30, 2001. While the provisions of the Depositories Act are mandatory for the companies which are brought under its perview it has been considered advisable to amend some provisions of the Articles of Association of the company to incorporate therein certain enabling provisions of that Act as stated in the special resolution under reference. Members are requested to approve the same.

None of the Directors is concerned or interested in the said resolution.

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

Place : Hyderabad
Date : 29-06-2001

(S. KOTESWARA RAO)
Managing Director



DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Eighth Annual Report of your company together with Audited Accounts for the financial year ended 31st March, 2001.

1. Financial Results	(Rs. in lakhs)
Sales and other Income	2455.85
Profit before Interest & Depreciation	241.54
Less: Depreciation	64.77
Interest	153.14
Profit/(Loss) after Interest & Depreciation	23.63
Add: Balance in Profit & Loss Account brought forward	(128.25)
Balance carried to Balance Sheet	(104.62)

2. Operations

Your Directors report that the company has achieved a satisfactory growth in sales during the year.

Your company has produced 678 MT of Chlorpyrifos Technical during the year under review and has sold 597 MT of the product which includes 342 MT of exports.

Your company is putting in every effort to establish reasonable profitability through reduction in the manufacturing cost and increase in the operating capacity.

3. Environment Protection

The company is putting every effort to address to the ecological concerns and due compliance with the environmental legislations. A waste storage facility for solid waste is being built satisfying the relevant norms of pollution control authorities.

4. Corporate Governance

The importance of corporate governance lies in its contribution both to business prosperity and to accountability. Directors fully support basic tenets of corporate governance as the prudent exercise of management rights in the best interests of all stakeholders in the company - in particular, its shareholders, creditors, the state and its employees. Directors are fully committed to implement all requirements of clause 49 of the Listing Agreements by next financial year.

5. Director's responsibility statement

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm and state that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- The company has selected such accounting policies, applied them consistently, made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit of the company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

- The company has prepared the attached annual statement of Accounts for the year ended March 31, 2001 on a going concern basis.

6. Industrial Relations

Industrial relations have been cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels.

7. Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo:

a. Technology Absorption, Adaptation and Innovation

The company is establishing its R&D facilities for upgradation and modernisation of the manufacturing facilities for the improvement of the 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 Director's Report.

c. Foreign Exchange Earnings and outgo

i. Earnings	Rs.824.47 lakhs
ii. Outgo	Rs.103.50 lakhs

8. Directors

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Sri G. Satyanarayana Raju and Sri S. Koteswara Rao who retire by rotation at the forthcoming Annual General Meeting of the company and being eligible, offer themselves for reappointment.

9. Auditors

M/s. R. Kankaria & Uttam Singhi, Chartered Accountants are due to retire at the ensuing Annual General Meeting as Auditors of the company and being eligible, offer themselves for reappointment.

10. Fixed Deposits

The company has not accepted any fixed deposits therefore the provisions of Section 58A of the Companies Act, 1956 are not applicable to the company.

11. Stock Exchanges

The shares of your company have been listed on the Stock Exchanges in Mumbai and Hyderabad and the Annual Listing Fee for these stock exchanges have been paid.

12. Particulars of Employees

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Company (Particulars of Employees) Rules, 1975, as amended are not given, as none of the employees qualify for such disclosure.

13. Acknowledgements

The Board desires to place on record its appreciation of the co-operation and continued support extended to the company by the Statutory Organisations, ICICI Limited, TIFAC, the Company's Bankers, Customers and the members of the company.

Place : Hyderabad
Date : 29-6-2001

For and on behalf of the Board

(S. KOTESWARA RAO)
Managing Director