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Bhagiradha Chemicals & Industries Limited



ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS

D. Ranga Raju

G. Satyanarayana Raju

D. Sadasivudu

S. Koteswara Rao

Managing Director

BANKERS

ICICI Bank Limited

AUDITORS

R. 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 Ninth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held at 2.30 P.M. on Friday, the 27th day of September, 2002 at Hotel Green Park, Ameerpet, Hyderabad to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Director's Report and the Auditors Report and the audited Profit & Loss Account for the financial year ended 31st March, 2002 and the Balance Sheet as at that date.
2. To appoint a Director in place of Sri 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 Sri 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. 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

5. To consider the increase in remuneration to the Managing Director and pass the following resolution with or without modification:

"RESOLVED THAT subject to the approval at the General Meeting and on the terms and conditions in Schedule XIII of the Companies Act, 1956, the remuneration of Sri S.Koteswara Rao, Managing Director of the company be increased to Rs.50,000/- (Rupees Fifty thousand only) per month apart from commission of 1 % of net profit subject to a maximum of Rs.5.00 lakhs per annum, car facility and telephone facility w.e.f. 01.07.2002 for the balance period of his tenure."

6. To consider the increase in remuneration to the Executive Director and pass the following resolution with or without modification:

"RESOLVED THAT subject to the approval at the General Meeting and on the terms and conditions in Schedule XIII of the Companies Act, 1956, the remuneration of Sri D.Sadasivudu, Executive Director of the company be increased to Rs.40,000/- (Rupees Forty thousand only) per month, apart from commission of 1% of net profit subject to a maximum of Rs.5.00 lakhs per annum, car facility and telephone facility w.e.f. 01.07.2002 for the balance period of his tenure."

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

Place : Hyderabad

Date : 29-6-2002

S. KOTESWARA RAO
Managing Director

**NOTES:**

1. The Register of Members and Share Transfer Books of the Company will remain closed from 16th day of September, 2002 to 27th day of September, 2002 (both days inclusive).
2. The Equity shares of the company are listed at the following Stock Exchanges:
 - a. The Hyderabad Stock Exchange Limited
3-6-275, Himayatnagar, Hyderabad – 500 029.
 - b. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy 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.
3. The share holders may address their communication to the Registrars and Share Transfer Agents of the company, M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 or to the Registered office of the company.
4. 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 a 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.
5. 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**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to the business under items 5 & 6 of the accompanying Notice.

ITEM 5:

The Managing Director has been receiving a remuneration of Rs.10,000/- p.m. since the inception of the company in 1995 and in view of the improvement in the business of your company, your Directors in their meeting held on 29th June, 2002 had considered a revision in remuneration payable to the Managing Director as mentioned below:

Salary per month	Rs.50,000/-
Commission	1% of the net profit of the Company as computed in the manner laid down in section 309(5) of the Companies Act, 1956, subject to a maximum of Rs.5.0 lakhs.

In addition, he will be eligible for the following perquisites:

- a. Company's car with driver for the business of the company.
- b. Telephone facility for official use at residence at company's cost.

Provided further that in the event of inadequacy of profits in any financial year the remuneration of Sri S.Koteswara Rao, Managing Director shall be governed by the limits prescribed under Section II of Part II of the Schedule XIII of the Companies Act, 1956.

Sri S.Koteswara Rao is concerned and has interest in the proposed resolution to the extent of his remuneration as Managing Director. No other Director of the company has any interest or concern in the proposed resolution.

**BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under Section 302 of the Companies Act, 1956.

The Directors recommend the proposed resolution for approval of the shareholders.

ITEM 6:

The Executive Director has been receiving a remuneration of Rs.10,000/- p.m. since the inception of the company in 1995 and in view of the improvement in the business of your company, your Directors in their meeting held on 29th June, 2002 had considered a revision in remuneration payable to the Executive Director as mentioned below:

Salary per month	Rs.40,000/-
Commission	1% of the net profit of the company as computed in the manner laid down in section 309(5) of the Companies Act, 1956, subject to a maximum of Rs.5.0 lakhs.

In addition, he will be eligible for the following perquisites:

- a. Company's car with driver for the business of the company.
- b. Telephone facility for official use at residence at company's cost.

Provided further that in the event of inadequacy of profits in any financial year the remuneration of Sri D. Sadasivudu, Executive Director shall be governed by the limits prescribed under Section II of Part II of the Schedule XIII of the Companies Act, 1956.

Sri D. Sadasivudu is concerned and has interest in the proposed resolution to the extent of his remuneration as Executive Director. No other Director of the company has any interest or concern in the proposed resolution.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under Section 302 of the Companies Act, 1956.

The Directors recommend the proposed resolution for approval of the shareholders.

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

Place : Hyderabad
Date : 29-06-2002

(S. KOTESWARA RAO)
Managing Director

**DIRECTORS' REPORT**

To
The Shareholders

Your Directors have pleasure in presenting their Ninth Annual report, together with the Audited Accounts of the company for the year ended 31st March, 2002.

Accounts & Financial Matters

(Rs. in lakhs)

Sales and Other Income	3203.92
Profit before Depreciation	208.43
Less: Depreciation	68.51
Profit before tax	139.92
Less: Provision for taxation	
- Current year tax (MAT)	10.70
- Deferred tax for current year	50.82
Profit after tax	78.40
Less: Deferred tax adjustment upto 31/03/2001	—
Net profit after Deferred tax	78.40
Add: Balance brought forward from previous year	(104.61)
Profit carried to Balance Sheet	(26.21)

Operations and Future Outlook

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

The production during the current year has increased to 951 MT of Chlorpyrifos Technical against 678 MT of the previous year.

Your company has sold 871 MT of technical as such which includes 348 MT of exports and formulated and sold 100 MT of the product into 497 kL of formulation during the year under review.

Your company is putting in further efforts to enhance profitability by addition of new products.

Environment Protection

The company is putting every effort for the due compliance with the environmental legislations. Apart from creating a temporary waste storage facility conforming to the relevant norms of pollution control authorities, the company had entered into an agreement with the Hyderabad Waste Management Project for the treatment and disposal of the solid effluents.

Corporate Governance

The company's philosophy on Corporate Governance envisages the attainment of corporate excellence by providing greater customer satisfaction, high employee morale and commitment, enhanced shareholder value and sensitivity to societal concerns by maintaining equilibrium between the aspirations of owners, employees, customers and other stakeholders. The company believes that the governance process should ensure economic prosperity and long term value creation for the enterprise and its shareholders by applying implicit principles of independence,



transparency, accountability and responsibility, fairness, investor protection, better compliance with statutory laws & regulations and societal concerns. The company also respects the inalienable rights of its investors and other stakeholders to information on the performance of the company based on highest professional ethics and financial reporting standards. Directors are fully committed to implement all requirements of clause 49 of the Listing Agreements during the financial year 2002-2003.

Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm 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 reasonable and prudent so as to give 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.
- * They 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 frauds and other irregularities. and
- * The company has prepared the attached annual statement of accounts for the year ended 31st March, 2002 on a going concern basis.

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.

The company is committed to industrial safety and environmental protection and these are on-going processes at the company's plant and facilities.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**Conservation of Energy**

The products manufactured by the company are material intensive. However, consistent efforts are being made for identifying the potential for energy saving in various facets of operations.

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.

Technology Absorption, Adaptation and Innovation

The technology employed is being upgraded continuously. In house training is imparted regularly to plant personnel for adaptation of technology advancements and cost containment.

The Company is also putting its efforts to make use of good engineering practices for cost reduction.

Foreign Exchange Earnings and Outgo

- Earnings	Rs. 655.23 lakhs
- Outgo	Rs. 233.13 lakhs

**ANNUAL REPORT 2001-2002****Directors**

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

Auditors

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

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.

Stock Exchanges

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

Particulars of the Employees

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

Acknowledgement

The Board desires to place on record its appreciation of the co-operation and continuous support extended to the company by the Statutory Organisations, ICICI Limited, TIFAC, ICICI Bank Ltd., esteemed customers and members of the company.

For and on behalf of the Board

Place : Hyderabad
Date : 29-6-2002

(S. KOTESWARA RAO)
Managing Director