



## BOARD OF DIRECTORS

D. Ranga Raju	:	Chairman
K. S. Raju	:	Director
A. Hari Prasad	:	Director
Dr. S. Ramnarayan	:	Director
Sudhakar Kudva	:	Director
C.M. Ashok Muni	:	Director
S. Chandra Sekhar	:	Director
D. Sadasivudu	:	Executive Director
S. Koteswara Rao	:	Managing Director (upto 04.07.2010)

### 17th ANNUAL GENERAL MEETING

Day	:	Saturday
Date	:	September 18, 2010
Time	:	10.30 A.M.
Venue	:	Hotel Green Park Greenlands, Ameerpet Hyderabad - 500 016

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### BANKERS

State Bank of India  
AXIS Bank Limited

### AUDITORS

R. Kankaria & Uttam Singhi  
Chartered Accountants  
Hyderabad - 500 082

### REGISTERED OFFICE

8-2-269/S/3/A, Plot No. 3  
Sagar Society, Road No. 2  
Banjara Hills, Hyderabad - 500 034  
Tel. (040) 23608083  
Fax (040) 23540444  
Email: info@bhagirad.com

### FACTORY

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

### REGISTRAR & SHARE TRANSFER AGENT

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



## NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held at 10.30 A.M on Saturday, the 18th day of September, 2010 at Hotel Green Park, Greenlands, Ameerpet, Hyderabad 500 016 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, together with the Director's and Auditor's Reports thereon.
2. To appoint a director in the place of Sri K.S. Raju who retires by rotation in terms of Article 143 of the Articles of Association and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Sri A. Hari Prasad who retires by rotation in terms of Article 143 of the Articles of Association and being eligible, offers himself for re-appointment.
4. To reappoint M/s. R. Kankaria & Uttam Singhi, Chartered Accountants as auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

"RESOLVED THAT Sri S. Chandra Sekhar, who was appointed as an additional director of the company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as director of the company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

"RESOLVED THAT Sri C.M. Ashok Muni, who was appointed as an additional director of the company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as director of the company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions if any of the Companies Act, 1956 read together with Part B of Section II of Schedule XIII to the Act and subject to such other approvals as may be necessary consent of the members of the company be and is hereby accorded to the payment of minimum remuneration of Rs. 2,80,000/- p.m (apart from contributions



made to the provident fund and gratuity) to Sri. S. Koteswara Rao, Managing Director of the company for the period 01-04-2009 to 28-02-2010 in view of the inadequacy of the profits for the year ended 31-03-2010."

8. To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and 311 and other applicable provisions if any of the Companies Act, 1956 read together with Part B of Section II of Schedule XIII to the Act and subject to such other approvals as may be necessary consent of the members of the company be and is hereby accorded to the reappointment of Sri S. Koteswara Rao as Managing Director of the company and payment of remuneration of Rs. 3,00,000/- p.m (apart from contributions made to the provident fund and gratuity) for the period 01-03-2010 to 04-07-2010."

9. To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and 311 read together with Schedule XIII of the Companies Act, 1956, and subject to such other approvals as may be necessary, consent of the members of the company be and is hereby accorded for reappointment of Sri D. Sadasivudu as Executive Director of the company for a period of five years w.e.f. 01-03-2010 and payment of remuneration as follows:

1. Salary Rs. 1,60,000/- per month
2. Perquisites
  - i) Contribution to provident fund as per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952.
  - ii) Gratuity as per the rules of the company.
  - iii) Reimbursement of actual medical expenses (including insurance premium for medical and hospitalization policy).
  - iv) Insurance premium, car facility and telephone facility, and
3. Commission of 1% of net profit

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year Sri D. Sadasivudu, Executive Director be paid a monthly remuneration not exceeding Rs. 1,60,000/- apart from contributions made to the provident fund and gratuity as minimum remuneration in accordance with Part B of Section II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the minimum remuneration in case of inadequacy or absence of profits is approved for a period of three years and the minimum remuneration for the further period shall be reviewed at appropriate time."

By Order of the Board

Place: Hyderabad  
Date: 27.07.2010

Mary Monica Braganza  
Company Secretary



## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. The proxy need not be a member of the company. The proxy form, in order to be effective must be duly completed and deposited at the registered office of the company atleast 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from 14-09-2010 to 18-09-2010 (both days inclusive).
4. The members may address their communication to the Registrars and Share Transfer Agents of the company M/s XL Softech Systems Limited, Plot No. 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034 or to the Registered Office of the company.
5. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years are to be transferred to Investor Education and Protection Fund (IEPF). 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	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
2003-2004	24-09-2004	23-09-2011	22-10-2011
2004-2005	29-07-2005	28-07-2012	27-08-2012
2005-2006	31-07-2006	30-07-2013	29-08-2013
2006-2007	30-07-2007	29-07-2014	28-08-2014
2007-2008	31-07-2008	30-07-2015	29-08-2015
2008-2009	14-11-2008	13-11-2015	12-11-2015
2008-2009	31-07-2009	30-07-2016	29-07-2016

Members who have not en-cashed the dividend warrants so far in respect of the aforesaid periods are requested to send their claims, if any, to the company well in advance of the above due dates. Once the amounts in the unpaid dividend is transferred to the IEPF, no claim shall lie against IEPF or the company in respect thereof and the Members will lose their right to claim such dividend.

6. The Securities and Exchange Board of India ("SEBI") has vide its circulars Ref. No. MRD/DoP/Cir-05/2009 dated May 20, 2009 and Ref. No. SEBI/MRB/Dop/SE/RTA/Cir-03/2010 dated January 7, 2010 specified that for securities market transactions and off market/private transactions involving transfer/transmission of shares, deletion of name of deceased shareholder(s) and transposition of names in respect of shares held in physical form of listed companies, it shall be mandatory for the transferee(s)/shareholder(s) to furnish copy of PAN card to the Company/Registered Transfer Agents (RTAs) for registration of such transfer/transmission of shares or other request. All shareholder(s) desirous of lodging physical shares for any of the aforesaid should therefore invariably furnish copy of their PAN card at the time of lodging requests for such matters together with all requisite documents to the company/RTA for necessary action, to avoid inconvenience."



## **ANNEXURE TO THE NOTICE**

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

### **Item No. 5**

Sri S. Chandra Sekhar was appointed as additional director of the company on July 27, 2010 under Article 129 of the Articles of Association of the company. As per the provisions of Section 260 of the Companies Act, 1956, Sri S. Chandra Sekhar holds office as director of the company only up to the date of the ensuing Annual General Meeting of the company.

Notice under Section 257 of the Companies Act, 1956 has been received from a member along with a deposit of Rs. 500/- proposing the appointment of Sri S. Chandra Sekhar as a director of the company.

Sri S. Chandra Sekhar (33) is a Chemical Engineer holding B.Tech. degree with distinction from Osmania University and Masters Degree in Chemical Engineering from the University of Illinois, Chicago. He has over eight years of experience in the synthesis of specialty chemicals and design of chemical plants. He has worked as R&D Manager of the company from September 28, 2002 to March 31, 2006. Sri S. Chandra Sekhar is the son of Late Sri S. Koteswara Rao, Promoter and Managing Director of the company.

Presently Sri S. Chandra Sekhar is the Managing Director of JC Biotech Private Limited and also a Director in Rite Information Services Private Limited. He does not hold any committee memberships in the companies in which he is a director. Sri S. Chandra Sekhar holds 23200 equity shares in the company.

The company will benefit from the experience of Sri S. Chandra Sekhar in technology related matters.

The Board recommends his appointment.

Except Sri S. Chandra Sekhar none of the other directors of the company are in any way concerned or interested in this resolution.

### **Item No. 6**

Sri C.M. Ashok Muni was appointed as additional director of the company on July 27, 2010 under Article 129 of the Articles of Association of the company. As per the provisions of Section 260 of the Companies Act, 1956, Sri C.M. Ashok Muni holds office as director of the company only up to the date of the ensuing Annual General Meeting of the company.

Notice under Section 257 of the Companies Act, 1956 has been received from a member along with a deposit of Rs. 500/- proposing the appointment of Sri C.M. Ashok Muni as a director of the company.

Sri C.M. Ashok Muni (45) is a B.Tech - Chemical Engineer from IIT Chennai. He has over 23 years of experience in various chemical industries. He has worked in Indian Aluminum Company Limited, ICI India Limited, ICI Europe - UK, Belgium and Netherlands, Monsanto



India Limited and Atul Limited. The industry spectrum of his experience includes alumina, rubber chemicals, polyurethanes, agrochemicals, bulk and specialty chemicals business. Presently he is the Director and Chief Operating Officer of Nagarjuna Agrichem Limited (also a member of its Banking Committee). He is also a Director in Nagarjuna Foundation. Sri C.M. Ashok Muni does not hold any shares in the company.

The company will benefit from the rich and varied experience Sri C.M. Ashok Muni has in the chemical industry.

The Board recommends his appointment.

Except Sri C.M. Ashok Muni none of the other directors of the company are in any way concerned or interested in this resolution.

### **Item No. 7**

The Shareholder's at the Sixteenth Annual General Meeting held on July 31, 2009 approved an increase in the remuneration of the Managing Director of the Company for the period 01-02-2009 to 28-02-2010.

Due to inadequate profits for the year ended March 31, 2010, the Remuneration Committee and the Board of Directors at their respective meetings held on May 29, 2010 approved the payment of minimum remuneration in accordance with Part B of Section II of Schedule XIII of the Companies Act, 1956 to Sri S. Koteswara Rao, Managing Director for the period 01-04-2009 to 28-02-2010.

The effective capital of the company as on March 31, 2010 is Rs. 47 crores and the minimum remuneration is within the ceiling prescribed in terms of the effective capital of the company. Further, the company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year. The statement containing the information as required under Schedule XIII to the Companies Act, 1956 is annexed to this notice.

Sri S. Koteswara Rao expired on July 4, 2010.

The Board recommends the proposed resolution for approval.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract and memorandum of concern or interest under section 302 of the Companies Act, 1956.

### **Item No. 8**

The tenure of appointment of Sri S. Koteswara Rao as Managing Director ended on February 28, 2010. The Board of Directors at their meeting held on January 30, 2010 reappointed Sri. S. Koteswara Rao as Managing Director of the company for a further period of five years from March 1, 2010. The remuneration payable was approved by the Board and the Remuneration Committee at their meetings held on January 30, 2010 and May 29, 2010.



Sri S. Koteswara Rao expired on July 4, 2010. The consent of the shareholders is sought for the reappointment and payment of remuneration to Sri S. Koteswara Rao for the period 01-03-2010 to 04-07-2010.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract and memorandum of concern or interest under section 302 of the Companies Act, 1956.

The Board recommends the proposed resolution for approval.

**Item No. 9**

The tenure of appointment of Sri D. Sadasivudu as Executive Director ended on February 28, 2010. The Board of Directors at their meeting held on January 30, 2010 reappointed Sri D. Sadasivudu, as Executive Director of the company for a further period of five years from March 1, 2010. The remuneration payable was approved by the Board and the Remuneration Committee at their meetings held on January 30, 2010 and May 29, 2010.

The effective capital of the company as on March 31, 2010 is Rs. 47 crores and the minimum remuneration is within the ceiling prescribed in terms of effective capital of the company. Further, the company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year.

It is proposed to approve the payment of the minimum remuneration only for the period of three years as per the provisions of Part B of Section II of Schedule XIII to the Companies Act, 1956 and an appropriate proposal will be put before the members of the company for the further period of two years of the remaining period of reappointment at an appropriate time.

The statement containing the information as required under Schedule XIII to the Companies Act, 1956 is annexed to this notice.

The Board recommends the proposed resolution for approval.

Except Sri D. Sadasivudu none of the other Directors of the company are in any way concerned or interested in this resolution.

By Order of the Board

Place: Hyderabad  
Date: 27.07.2010

Mary Monica Braganza  
Company Secretary



## Statement showing the details as required under Schedule XIII to the Companies Act, 1956

(In connection with item No. 7 to 9 of the notice and explanatory statement)

### I. General Information

- (i) Nature of industry: Manufacture and sale of Agro Chemicals.
- (ii) Date or expected date of commencement of commercial production: Existing company carrying out the manufacture and sale of agro chemicals since 1993.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (iv) Financial performance of the company in the last three years based on given indicators:

(Rs. in lakhs)

Particulars	Financial Year		
	2009-2010	2008-2009	2007-2008
Paid up Capital	505.37	505.37	505.37
Reserves & Surplus	4220.14	3888.44	3118.18
Net Sales & Other Income	9909.39	10469.15	8421.38
Total Expenditure	9481.82	9378.23	7678.18
Managerial Remuneration	54.51	48.74	36.14
Profit Before Tax	427.57	1090.92	743.20
Income Tax including Deferred Tax	95.87	143.28	88.72
Dividend (%)	Nil	30%	25%

- (v) Export performance and net foreign exchange collaborations.

(Rs. in lakhs)

Particulars	Financial Year		
	2009-2010	2008-2009	2007-2008
Foreign Exchange Earning	7373.72	7805.06	5868.64
Foreign Exchange Outgo	2756.86	2977.82	1951.69

- (vi) Foreign investments or collaborators, if any : None



**II. Information about Directors****(i) Background Details**

Sri S. Koteswara Rao promoted the company in 1993 and was the Managing Director of the company since 1995. He was a Post Graduate in Chemical Engineering from IIT Chennai and had over 41 years of experience in the chemical industry. Sri S. Koteswara Rao expired on 04-07-2010. Sri S. Koteswara Rao has made invaluable contribution for the establishment and growth of the company. His immense contributions are gratefully acknowledged.

Sri D. Sadasivudu holds Post Graduated degrees in Chemical Engineering from Osmania University and from the University of Salford, England. He was an Assistant Director of the Design & Engineering Division of IICT before promoting the company. He has been the Executive Director of the company since 1995. Sri D. Sadasivudu does not hold any other directorship.

**(ii) Past Remuneration**

Details of remuneration paid

Sri S. Koteswara Rao : Rs. 3,625,860 (01-04-2009 to 31-03-2010)  
Rs. 1,008,797 (01-04-2010 to 04-07-2010)  
Rs. 1,038,462 towards gratuity

Sri D. Sadasivudu : Rs. 1,824,900 (2009-2010)  
Rs. 2,062,441 (2008-2009)  
Rs. 1,539,615 (2007-2008)

**(iii) Job profile and suitability and comparative remuneration profile with respect to industry, size of company and profile of the position and person:**

Sri S. Koteswara Rao was responsible for the overall business development and management of the company. His vision, inspiring leadership and unswerving commitment to growth made him the right person for the job. The remuneration paid to Sri S. Koteswara Rao is in line with the nature of industry, size of company, profile of the person and responsibilities entrusted.

Sri D. Sadasivudu is responsible for preparation of the basic design for manufacturing processes and coordination of efforts of R&D and engineering departments and also ensuring compliance relating to environmental protection in addition to managing the affairs of the company. Sri D. Sadasivudu has over 39 years of relevant experience.

**(iv) Remuneration Proposed**

Sri S. Koteswara Rao expired on 04-07-2010 consent of the members is sought for remuneration paid to Sri S. Koteswara Rao, Managing Director as detailed in the resolution No. 7 and 8 of the accompanying notice.

The remuneration proposed to be paid to Sri D. Sadasivudu, Executive Director has been detailed in the resolution No. 9 of the accompanying notice. In the event of



absence or inadequacy of profits in any financial year a monthly remuneration not exceeding Rs. 1,60,000/- (apart from contributions made to the provident fund and gratuity) as minimum remuneration in accordance with Part B of Section II of Schedule XIII of the Companies Act, 1956 is proposed.

- (v) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personal, if any

Sri D. Sadasivudu is the Promoter and Executive Director of the Company. He is not related to any managerial personnel. He may be deemed to be interested to the extent of his shareholding and remuneration in the company.

### III. Other Information

1. Reasons for inadequate profits:

The net revenue for the current year was Rs. 9909 lakhs as against Rs. 10469 lakhs for the previous year. The profit before tax for the current year was Rs. 428 lakhs as against Rs. 1091 lakhs for the previous year a reduction by over 61%.

The reduction in the profits during the year was due to a steep fall in the selling price of the company's bulk product chlorpyrifos, interruptions in power supply, increase in cost of raw materials and effluent treatment resulting in low profitability.

2. Steps taken or proposed to be taken for improvement:

The manufacture of the bulk insecticide chlorpyrifos which has been contributing to a significant portion of the company's revenue is becoming non remunerative. The company proposes to add products that replace chlorpyrifos in due course of time. The other additional products clodinafop and cloquintocet mexyl are slowly gaining market penetration, the impact of which are likely to be felt in 2011-2012.

3. Expected increase in productivity and profits in measurable terms.

The company would witness a slowdown in the production and profitability for the year 2010-2011 due to restructure in the product profile. There would be an improvement in the production and profitability with addition of new products in the subsequent years.

### IV. Disclosures

1. Adequate disclosure is made to the shareholders of the company of the terms of appointment and remuneration of the managerial personnel.
2. The information on remuneration package and other details are disclosed in the Corporate Governance Report.