



Bhagiradha Chemicals & Industries Limited



BOARD OF DIRECTORS

D. Ranga Raju	Chairman
K.S. Raju	Director
Sudhakar Kudva	Director
D. Sadasivudu	Director
S. Chandra Sekhar	Managing Director

BANKERS

State Bank of India
AXIS Bank Limited

20th Annual General Meeting

Day	: Thursday
Date	: August 8 th , 2013
Time	: 10.30 AM
Venue	: Hotel Green Park Greenlands, Ameerpet Hyderabad 500 016

AUDITORS

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

COST AUDITORS

Sagar & Associates
Cost Accountants
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) 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

Contents	Page Nos.
Notice	2
Directors' Report	5
Corporate Governance Report	12
Independent Auditors' Report	27
Balance Sheet	32
Statement of Profit & Loss	33
Cash Flow Statement	34
Notes (1 to 24)	36
Proxy Form and Attendance Slip	53



NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Thursday the 8th day of August, 2013 at 10.30 hrs at Hotel Green Park, Greenlands, Ameerpet, Hyderabad 500016** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon of the company.
2. To appoint a Director in the place of Sri D.Ranga 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 Sudhakar Kudva, 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, bearing ICAI Registration No.000442S 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 authorize the Board of Directors to fix their remuneration.

By Order of the Board

Place : Hyderabad

Date : 18.5.2013

JR NAGAJAYANTHI

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 at least 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 3rd August 2013 to 8th August 2013 (both days inclusive).
3. The members may address their communications 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.
4. 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. 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
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 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 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.

Pursuant to Section 205A(5) of the Companies Act 1956, the company has transferred ₹ 91,205/- (Rupees Ninety one thousand two hundred and five only) which was lying unclaimed for a period of seven years to Investor Education and Protection Fund account established under section 205(1) of the Companies Act 1956.

5. Members are requested to utilize the Electronic Clearing System (ECS) for receiving dividend and may accordingly advise their Depository Participants in case the shares are held in electronic form and the Registrar & Share Transfer Agent in case of shares in physical form.
6. Brief profile of Directors seeking appointment at the Annual General Meeting in terms of clause 49 of the listing agreement is annexed to this notice.

By Order of the Board

Place : Hyderabad
Date : 18.5.2013

JR NAGAJAYANTHI
Company Secretary



DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE TWENTIETH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT OF STOCK EXCHANGES

Name of the Director	D.Ranga Raju	Sudhakar Kudva
Date of Birth	20th June 1934	6th December 1950
Qualification	Graduate in commerce	Fellow Member of the Institute of Chartered Accountants of India.
Expertise in specific functional areas	Vast experience in manufacturing and marketing of agricultural chemicals	Has over 39 years of experience in the fields of International Trading and Contracting, Financial Services, Manufacturing of alloy and carbon steel, seamless tubes, Mining, Port operations and Logistics. His areas of experience include Accounting, Financial Management, Treasury Management and General Management
Date of appointment	4th March 1995	31st October 2008
Relationship with other Directors	NONE	NONE
No. of equity shares held in the company	NIL	NIL
List of other companies in which directorships are held	NAGARIJUNA AGRICHEM LIMITED VIJAYNAGAR BIOTECH LIMITED NAGARIJUNA OIL REFINERY LIMITED	NAGARIJUNA AGRICHEM LIMITED NAGARIJUNA OIL CORPORATION LIMITED SUBHO TECH PRIVATE LIMITED
List of committees of Board of Directors across all companies in which Chairman/Membership is held	Nagarjuna Agrichem Limited: Audit Committee- Member; Share Transfer committee-Member Bhagiradha Chemicals & Industries Limited: Audit Committee-Member; Remuneration Committee-Chairman; Share Transfer and Investor Grievances Committee- Chairman Vijayanagar Biotech Limited: Audit Committee- Member	Nagarjuna Agrichem Limited: Audit Committee- Member; Share Transfer committee-Member Bhagiradha Chemicals & Industries Limited: Audit Committee- Chairman; Remuneration Committee-Member; Share Transfer and Investor Grievances Committee-Member



DIRECTORS' REPORT

To
The Shareholders

Your directors have pleasure in presenting the Twentieth annual report together with the audited accounts of the company for the year ended 31st March 2013.

Financial Results

(₹ in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Net sales and other income	14,615	6,861
Operating profit (PBDIT)	1,010	97
Less: Depreciation	368	297
Less: Interest	351	241
Profit before tax	291	(441)
Less: Provision for tax (Incl. deferred tax)	94	(159)
Net profit	197	(282)
Balance brought forward from previous year	3,143	3,425
Profit available for appropriation	-	3,143
- Transfer to general reserve	-	-
- Balance carried to balance sheet	3,340	3,143

Operations

The Board of Directors are pleased to inform that for the first time since its inception, the company has achieved a turnover of ₹ 146 crores. The net revenue from operations for the current year was ₹ 14,615 lakhs (₹ 6,861 Lakhs) which includes exports of ₹ 8,503 Lakhs (₹ 4,457 lakhs). The Profit before tax was ₹ 291 Lakhs as against a loss of ₹ 441 lakhs incurred during the financial year 2011-2012.

Dividend

The Board of Directors have not recommended any dividend for the financial year ended 31st March 2013.

Pursuant to section 205A (5) of the companies Act, the company has transferred ₹ 91,205/- (Rupees Ninety One thousand Two hundred and Five only) which was lying unclaimed for a period of seven years to Investor Education and Protection Fund account established under section 205(1) of the Companies Act, 1956.

Safety, Health and Environment

Your company has always laid great emphasis on Environment, Health, Safety (EHS) and Pollution. EHS and Pollution control responsibility is fundamental to Company's values. As the Company is committed to become a world class company, measurable improvements in environment, health, safety and pollution aspects in relation to our products, services & operations remains our key focus. The ambient air quality and stack emissions level gets



monitored with the help of third party on a monthly basis. These parties are Government recognized laboratories recognized by Ministry of Environment and Forests.

Company undertakes constant and persistent efforts to upgrade environmental performance and is putting its best efforts to augment the treatment and disposal of effluents satisfying the relevant norms of the pollution control authorities. Effluents from the plants are treated so effectively that it meets not only the legal parameters but also meets with Company's stringent internal standards. Air emissions are effectively controlled by providing dust collectors, wet scrubbers. Waste management system provides comprehensive guidelines to monitor, control & minimize generation of wastes. The company has proposed to install Opacity Meter and VOC machine as per the norms suggested by Andhra Pradesh Pollution Control Board to provide online stack monitoring data and online odor monitoring data to the Pollution Control Board.

Corporate Governance

Pursuant to clause 49 of the listing agreement, a Management Discussion and Analysis Report and a Report on Corporate Governance are included in the Annual Report. A certificate from the auditors of the company is annexed to this report.

Director's Responsibility Statement

Pursuant to section 217 (2AA) of the Companies Act, 1956, your directors to the best of their knowledge and belief confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- b) the directors have selected such accounting policies and applied them consistently and 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 for the financial year ended 31st March 2013 and of the Profit of the company for the year under review.
- c) 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.
- d) the directors have prepared the annual accounts on a 'going concern' basis.

Industrial Relations

Industrial relations were cordial during the year. Your directors greatly appreciate the dedicated services rendered by the employees.

Energy Conservation, Technology Absorption, Foreign Exchange Earning and Outgo

As required under section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the particulars relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure, which is attached hereto and forms part the Director's Report.

Research & Development

R&D continues to do good job in Research. Over the years, it has adopted to changing and



difficult times, and has been contributing with the current needs of the Company by maximum utilization of its existing resources. It has endeavoured to generate revenues by way of development new products and various developments in processes. To generate revenues through licensing of intellectual property, it has displayed different process technologies.

Directors

Sri D. Ranga Raju, Director and Sri Sudhakar Kudva, Director retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Statutory Auditors

M/s R. Kankaria & Uttam Singhi, Chartered Accountants, are due to retire as Auditors of the company at the forthcoming Annual General Meeting and they being eligible, offer themselves for re-appointment. The company has received a letter from the Auditors to this effect u/s 224 (1-B) of the Companies Act, 1956.

Cost Auditors

Pursuant to the direction from the Ministry of Corporate Affairs and section 224 (1-B) & 233B of the Companies Act, 1956 for appointment of Cost Auditors and subject to the approval from Central Government your Company has re-appointed M/s. Sagar & Associates, Cost Accountants, Hyderabad, as the Cost Auditors for the Financial Year 2013-14.

Fixed Deposits

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

Listing

The shares of your company are listed on the Stock Exchange in Mumbai. The company has paid annual listing fee for the year 2013-2014 to the Bombay Stock Exchange.

Particulars of Employees

During the year under review NONE of the employees have received remuneration more than the limits specified under section 217 (2A) of the Companies Act, 1956.

Acknowledgement

We thank our customers, vendors, investors and bankers namely State Bank of India and Axis Bank Limited for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, particularly the Ministry of Commerce, the Customs and Excise Departments, the Income Tax Department, the Ministry of Finance, the Reserve Bank of India, the state governments and other government agencies for their support, and look forward to their continued support in the future.

The company places on record its sincere gratitude to the investors and members for the imposing trust and confidence shown by them on the company.

For and on behalf of the Board

Place : Hyderabad
Date : 18.05.2013

D. Ranga Raju
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A) 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.

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 in Form A are given hereunder:

FORM - A (See Rule - 2) Form for Disclosure of Particulars with respect to Conservation of Energy (Amount in ₹)		
Particulars	For the year ended 31.03.2013	31.03.2012
I. ENERGY CONSERVATION		
Power & Fuel Consumption		
1. Electricity		
i) Purchased units (kwh)	10,152,929	6,608,180
Total Amount (₹)	66,661,222	28,377,970
Unit Rate (₹)	6.57	4.29
ii) Own Generation (on Diesel)		
a) Diesel Consumption (Ltrs)	271,500	244,360
Units	795,322	733,080
Units per Ltr of Diesel Oil	2.93	3.00
Total Amount (₹)	12,908,325	10,847,217
Unit Cost (₹)	16.23	14.80
b) Steam Turbine Generation		
Units	Nil	Nil
Units per Ltr of Diesel Oil	Nil	Nil
Unit Cost	Nil	Nil
2. 'C' Grade Coal used in Boiler		
Quantity (MT)	13,274	9,697
Total Amount (₹)	72,144,069	48,006,068
Average Rate / MT	5,435	4,951
3. Furnace Oil		
Quantity (Ltrs)	521,620	229,800
Total Amount (₹)	22,716,205	9,819,438
Average Rate / Ltr	43.55	42.73
4. Others / Internal Generation		
Quantity	Nil	Nil
Total Amount	Nil	Nil
Rate /Unit	Nil	Nil
II. CONSUMPTION PER TON OF PRODUCTION		
Electricity purchased & Own Generation (Units)	3,957	4,759
Furnace Oil (Ltrs)	189	149
Coal - Quality 'C' Grade (MT)	4.80	6.29