



Bhagiradha Chemicals & Industries Limited

23<sup>rd</sup>

Annual Report  
2015-2016



# BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

(CIN: L24219AP1993PLC015963)

## 2015-16 Annual Report

### BOARD OF DIRECTORS

<b>D. Ranga Raju</b>	Chairman
<b>S. Chandra Sekhar</b>	Managing Director
<b>K.S. Raju</b>	Director
<b>Sudhakar Kudva</b>	Director
<b>D. Sadasivudu</b>	Director
<b>S. Lalitha Sree</b>	Director
<b>B. Murali</b>	CFO
<b>B.N. Suvarchala</b>	Company Secretary



<b>Day</b>	Friday
<b>Date</b>	12 <sup>th</sup> August, 2016
<b>Time</b>	11.00 AM
<b>Venue</b>	Hotel Green Park, Greenlands, Ameerpet, Hyderabad 500016.

#### Bankers

State Bank of India  
AXIS Bank Limited  
Bank of India

#### Auditors

R. Kankaria & Uttam Singhi  
Chartered Accountants  
Hyderabad - 500082

#### Cost Auditors

Sagar & Associates  
Cost Accountants  
Hyderabad - 500001

#### Secretarial Auditors

Naresh Tiwari & Associates  
Company Secretaries  
Hyderabad - 500001

#### Registered Office

8-2-269/S/3/A, Plot No. 3  
Sagar Society, Road No. 2  
Banjara Hills, Hyderabad - 500034  
Tel. (040) 42221212  
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 - 500034  
Tel. (040) 23545913  
Fax (040) 23553214  
Email: xlfield@gmail.com

Welcome to the  
**BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED**  
2015-16 Annual Report  
This is what you will find inside

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## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Friday the 12<sup>th</sup> day of August, 2016 at 11.00 am at Hotel Green Park, Green lands, Ameerpet, Hyderabad 500016** to transact the following business:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2016 including Audited Balance sheet as at 31<sup>st</sup> March, 2016 and Statement of Profit and Loss Account for the year ended on that date and the reports of the Auditors and Directors thereon.
2. To appoint Director in place of Sri K.S.Raju (DIN: 00008177), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. R. Kankaria & Uttam Singhi, Chartered Accountants, Hyderabad (Firm Registration No. 000442S) as approved by Members at the Twenty First Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Twenty fourth Annual General Meeting, and remuneration to be fixed by Board based on recommendation of the audit committee for the financial year ending 31<sup>st</sup> March, 2017.

### Special Business:

#### 4. Ratification of Cost Auditors Remuneration.

To approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2017 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 the remuneration of the Cost Auditor, M/s. Sagar & Associates, Cost Accountants, for the financial year ending 31<sup>st</sup> March, 2017 be and is hereby determined as recommended by the Audit committee and approved by the Board of Directors."

By order of the Board

Date : 25.05.2016  
Place : Hyderabad

**B. N. Suvarchala**  
Company Secretary

## NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint one or more proxies to attend 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 time for holding the meeting.
3. The Register of Members and Transfer Books of the Company will be closed from **5<sup>th</sup> August, 2016 to 12<sup>th</sup> August, 2016 (both days inclusive)**. The book closure dates have been fixed in consultation with the Stock Exchange.
4. 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.
5. Non-resident Indian Shareholders are requested to inform the Registrars, M/s XL Softech Systems Limited immediately:
  - The change in the residential status on return to India for permanent settlement.
  - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
6. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar.



8. In terms of Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance all the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail is [xlfield@gmail.com](mailto:xlfield@gmail.com) mentioning the Company's name i.e., Bhagiradha Chemicals & Industries Ltd (BCIL), so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.
- in respect of electronic shareholding - through their respective Depository Participants.
  - in respect of physical shareholding - by sending a request to the Company's Share Transfer Agent at [xlfield@gmail.com](mailto:xlfield@gmail.com), mentioning therein the Company's name i.e., Bhagiradha Chemicals & Industries Ltd (BCIL), their folio number and e-mail address.

9. The Annual Report 2015-16 as circulated to the members of the Company is also available on the website of the Company [www.bhagirad.com](http://www.bhagirad.com)

**10. Voting for transaction of Business:**

The business as set out in the Notice may be transacted and that:

- (A) The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the 44(1) of SEBI (LODR) Regulations, 2015.
- (B) The Facility for voting, either through electronic voting system or ballot or polling Paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- (C) The Members who have cast their vote by remote e-voting shall not be entitled cast their vote again.

The procedure and instructions for members for voting electronically are as under :

The voting period begins at **10.00 A.M. on 9th August, 2016 and ends at 5 P.M. on 11<sup>th</sup> August, 2016**. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12<sup>th</sup> July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on "Shareholders" to cast your votes.
- iii) User ID :

For Members holding shares in Demat Form:

- a) For CDSL: 16 digits beneficiary ID
- b) For NSDL: 8 Character DPID followed by 8 Digits Client ID

For Members holding shares in Physical Form:

- a) Folio Number registered with the Company
- iv) Enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

**vi) If you are a first time user follow the steps given below:**

- |                       |   |
|-----------------------|---|
| PAN                   | <ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg., If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB                   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).   |

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company Selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A Confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non-Individual Shareholders and Custodians :
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

11. The Company has appointed Mr. Naresh Tiwari, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchange (BSE).
12. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Director eligible for re-appointment vide item no. 2 is as follows:

Particulars	Sri K.S. Raju
Din	00008177
Date of Birth	29 <sup>th</sup> June, 1950
Date of Appointment	29 <sup>th</sup> July, 2005
Qualifications	Sri. K.S. Raju is a Graduate in Mechanical Engineering from the University of Mysore He started his professional career as Project Manager in NSL Limited. He was appointed Whole-time Director of Nagarjuna Fertilizers and Chemicals Limited in the year 1987, under his leadership, the Nagarjuna Group has made its presence felt in Agri Business and also ventured out into Refinery and Power sectors.
Experience in specific functional areas	Nagarjuna Agrichem Ltd
Directorship held in other listed entities	Nagarjuna Oil Corporation Ltd Nagarjuna Fertilizers & Chemicals Ltd
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Shareholders Grievance Committee Chairman in Nagarjuna Agrichem Ltd and Nagarjuna Fertilizers & Chemicals Ltd, Audit Committee member in Nagarjuna Oil Corporation Ltd and Nagarjuna Fertilizers & Chemicals Ltd.
Number of shares held in the company	Nil
Relationship with any Director(s) of the Company	Nil

By order of the Board  
For **Bhagiradha Chemicals & Industries Limited**

Place : Hyderabad  
Date : 25.05.2016

**B.N. Suvarchala**  
Company Secretary

## Explanatory statement

### ITEM NO: 4

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 25<sup>th</sup> May, 2016 has approved the appointment and remuneration of the M/s. Sagar & Associates, Cost Accountants in practice, as Cost Auditors of the company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017 on a remuneration of ` 75000/- (Rupees Seventy five Thousand Only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2017.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

### Notice for shareholders/investors for unpaid dividends

- i) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is 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	Amount as on 31.03.2016 (in `)	Due Date for transfer to IEPF
2008-09	31-07-2009	120,990	29-07-2016
2013-14	11-08-2014	81,886	09-08-2021
2014-15	08-08-2015	150,726	06-08-2022

- ii) 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.
- iii) During the year dividend amounting to ` 205,907/- that had not been claimed by the shareholders for the Financial years 2007-08 and 2008-09 (Interim) was transferred to the credit of Investor Education and Protection Fund as required under section 124 read with section 125 of the Companies Act, 2013





## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report of your Company together with the audited statement of accounts for the year ended 31st March 2016.

### Financial performance

₹ in lakhs

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Net Sales and other income	15,131	22,070
Operating profit (PBDIT)	536	1,166
Less : Depreciation	363	291
Less : Interest	702	571
Profit before tax	-529	304
Less : Provision for tax (incl. deferred tax)	-208	52
Profit after tax	-321	252
Balance brought forward from previous year	3525	3,427
Profit available for appropriation	3204	3,679
Less: Depreciation (net of deff tax) on life assets	—	43
Appropriations :		
Proposed dividend	—	51
Dividend tax	—	10
Transfer to general reserve	—	50
Balance carried forward to next year	3204	3,525

### Performance Review :

The Board of Directors are pleased to inform that the company has achieved a turnover of ₹ 14913 Lakhs (₹ 21783 Lakhs). The net revenue from operations for the current year was ₹ 15027 lakhs (₹ 21963 lakhs). The loss before tax for the year is ₹ 529 lakhs as against profit of ₹ 304 lakhs during the preceding previous year.

### Dividend :

Your Directors did not recommend any dividend for the financial year 2015-16.

During the year dividend amounting to ₹ 205,907/- that had not been claimed by the shareholders for the Financial years 2007-08 and 2008-09 (Interim) was transferred to the credit of Investor Education and Protection Fund as required under section 124 read with section 125 of the Companies Act, 2013.

### Board Meetings :

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. The meetings were held on 15<sup>th</sup> May 2015, 8<sup>th</sup> August, 2015, 6<sup>th</sup> November, 2015 and 08<sup>th</sup> February, 2016.

### Directors :

In accordance with the provisions of the Companies Act, 2013, Sri. K.S Raju (DIN:00008177) retires from office by rotation, and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting of the Company.

The information on the particulars of Director eligible for appointment in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

### Independent Directors Declaration :

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

### Evaluation of the Board's Performance :

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

**Directors Responsibility Statement :**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, your Directors confirm as under:

- I. In the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013 have been followed and there are no material departures from the same.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year ended 31<sup>st</sup> March 2016 and the loss of the Company for the year under review.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the annual accounts on a 'going concern' basis.
- V. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- VI. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Management Discussion and Analysis :**

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of the Annual Report as **Annexure-II**.

**Statutory Auditors :**

M/s. R. kankaria & Uttam Singhi, Chartered Accountants, Statutory Auditors of the Company hold office upto the conclusion of 24th Annual General Meeting, who were appointed in the 21st AGM to hold office until the conclusion of 24th AGM. Your company seeks ratification of the appointment of Statutory Auditors at the ensuing Annual General Meeting.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark.

**Cost Auditors:**

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s. Sagar & Associates, Cost Accountants, as the Cost Auditors of the company for the year 2016-2017 at a remuneration of ₹ 75,000. The proposed remuneration of the Cost Auditors would be approved by the members in the ensuing AGM. The Cost Audit Report for the year 2014-15 has been filed under XBRL mode within the due date.

The Cost Audit Report for the F.Y 2014-15 does not contain any qualification, reservation or adverse remark.

**Secretarial Auditors :**

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s. Naresh Tiwari & Associates, Company Secretaries as the Secretarial Auditor for the year 2016-2017. The secretarial audit report for the F.Y 2015-16 forms part of this Report as Annexure -III.

There are no qualifications or observations or remarks made by the Secretarial Auditor in their Report.

**Audit Committee :**

The committee comprises of Shri D. Ranga Raju, Shri Sudhakar Kudva and Shri Chandra Sekhar Singavarapu. The Chairman of the Committee is Shri Sudhakar Kudva who is a non-executive Independent Director. The Company Secretary is the Secretary to the committee. During the year under review four (4) meetings of the audit committee were held.

**Vigil mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.bhagirad.com/reports/vigil\\_mechanism/vigil\\_mechanism\\_policy\\_link](http://www.bhagirad.com/reports/vigil_mechanism/vigil_mechanism_policy_link).

**Stakeholder Relationship Committee :**

Stakeholder Relationship Committee comprises of Shri.D. Ranga Raju as Chairman and Shri Sudhakar Kudva and Shri D. Sadasivudu as members. The details of term of reference of the Committee member, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.