



# BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

## 25<sup>TH</sup> ANNUAL REPORT 2017-2018



*25 Years of Commitment to Quality*

# BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

(CIN:L24219TG1993PLC015963)

## 2017-18 Annual Report

### BOARD OF DIRECTORS

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



### 25th Annual General Meeting

Day	: Tuesday
Date	: 14 <sup>th</sup> August, 2018
Time	: 11.00 AM
Venue	: Hotel Green Park Greenlands, Ameerpet Hyderabad-500 016

#### BANKERS

State Bank of India  
AXIS Bank Limited  
Bank of India

#### AUDITORS

S. Singhvi & Co.  
Chartered Accountants  
Hyderabad - 500 016

#### COST AUDITORS

Sagar & Associates  
Cost Accountants  
Hyderabad - 500 001

#### SECRETARIAL AUDITORS

Naresh Tiwari & Associates  
Company Secretaries  
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) 42221212  
Fax (040) 23540444  
Email: info@bhagirad.com

#### FACTORY

Cheruvukommupalem Village  
Yerajarla Road, Ongole Mandal  
Prakasam District, Andhra Pradesh 523 272

#### 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@gmail.com

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## Bhagiradha Chemicals & Industries Limited

### NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held on **Tuesday the 14<sup>th</sup> day of August, 2018 at 11.00 A.M. at Hotel Green Park, Greenlands, Ameerpet, Hyderabad - 500 016** 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, 2018 including Audited Balance sheet 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 D. Sadasivudu (DIN : 00017637), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

3. Ratification of Cost Auditors Remuneration for the F.Y:2018-19

Date : 26.05.2018  
Place : Hyderabad

By Order of the Board

**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 scheduled time of meeting.
3. The Register of Members and Transfer Books of the Company will be closed from **8<sup>th</sup> August, 2018 to 14<sup>th</sup> August, 2018 (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 the meeting.
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 Limited (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 Limited (BCIL), their folio number and e-mail address.

9. The Annual Report 2017-18 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:

- (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 to 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 10th August, 2018 and ends at 5 P.M. on 13<sup>th</sup> August, 2018**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on (cut-off date) of 3<sup>rd</sup> August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Procedure with respect to remote evoting is provided below.

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

For Members holding shares in Demat Form:-

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

For Members holding shares in Physical Form:-

- Folio Number registered with the Company

- Enter the Image Verification as displayed and Click on Login.
- 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.



## Bhagiradha Chemicals & Industries Limited

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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 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** 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: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 [desk.evoting@cdslindia.com](mailto:desk.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 D. Sadasivudu
DIN NO	00017637
Date of Birth	20-04-1946
Date of Appointment	07-07-1993
Qualifications	M.Tech
Experience in specific functional areas	He joined the Indian Institute of Chemical Technology in the year 1972 as an Assistant Director in the Design & Engineering Division. Sri. D. Sadasivudu co-promoted Bhagiradha Chemicals & Industries Limited in the year 1993.
Directorship held in other listed entities	Nil
Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil
Number of shares held in the company	63,600
Relationship with any Director(s) of the Company	Nil

By Order of the Board  
For Bhagiradha Chemicals & Industries Limited

Date : 26.05.2018  
Place : Hyderabad

B. N. Suvarchala  
Company Secretary





## Bhagiradha Chemicals & Industries Limited

### Explanatory statement

#### ITEM NO: 3

#### Ratification of Cost Auditors Remuneration for the F.Y : 2018-19

The Board of Directors, on recommendation of the Audit committee, at their meeting held on 26<sup>th</sup> May, 2018 has approved the re-appointment and remuneration of 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, 2019 on a remuneration of ₹ 75,000/- (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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2019.

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.

All the documents referred to in the accompanying Notice and Statement Annexed thereto would be available for inspection without any fee by the members at the Corporate Office of the Company during 10:00 A.M. to 1:00 P.M on any working day (excluding Sunday) up to the date of the meeting.

#### 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 31.03.2018 (in ₹.)	Due Date for transfer to IEPF
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.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report of your Company together with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2018.

### Financial performance

The attached Financial Statements for the year ended 31.03.2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") consequent to the Notification of the Companies (Indian Accounting Standards) Rules, 2015 issued by The Ministry of Corporate Affairs. The company has restated its Balance Sheet as at 01.04.2016 and financial statements for the year ended 31.03.2017, for the first time as per Ind AS.

₹ in lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net Sales	18330.91	20279.27
Other income	76.83	198.01
Operating profit (PBDIT)	1235.76	1332.54
Depreciation	(292.06)	(383.60)
Interest	(691.81)	(694.27)
Profit Before Exceptional Items and Tax	251.89	254.67
Exceptional Items	(827.12)	-
Profit after Exceptional Items and Tax	(575.23)	254.67
Provision for tax (Incl. deferred tax)	445.06	(155.81)
Profit after tax	(130.17)	98.86
Earning per share (EPS)	(2.09)	1.96
Diluted EPS	(2.02)	1.96

### Performance review:

The Board of Directors are pleased to inform that the company has achieved a turnover of ₹18673 Lakhs (₹21879 Lakhs). The net revenue from operations for the current year is ₹ 18331 Lakhs ( ₹20279 Lakhs). The Loss before tax for the year is ₹ 575 Lakhs as against the profit of ₹255 Lakhs during the preceding year.

### Exceptional items-Fire accident impact:

During the year a fire accident occurred in the Block-III at the factory premises of the company on 20-05-2017, which caused extensive damage to the Civil structures, Plant & Equipment, Electrical Installations and stocks. The company has made an assessment of loss and lodged claim of ₹ 1693.14 Lakhs with the insurance company towards damage suffered. Insurance company has assessed the loss and released an adhoc payment of ₹ 866.03 Lakhs, pending final settlement and the company had disclosed the loss net of insurance claim received as an exceptional item in the statement of profit and loss.

However the production Block-III was commissioned successfully on 28th March, 2018.

### Dividend:

Your Directors did not recommend any dividend for the financial year 2017-18.





## Bhagiradha Chemicals & Industries Limited

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### Board Meetings:

The Board of Directors duly met 6 times during the financial year from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018. The meetings were held on 22<sup>nd</sup> May 2017, 29<sup>th</sup> August, 2017, 22<sup>nd</sup> September, 2017, 27<sup>th</sup> October, 2017, 04<sup>th</sup> December, 2017 and 12<sup>th</sup> February, 2018.

### Directors:

In accordance with the provisions of the Companies Act, 2013, Sri D. Sadasivudu (DIN: 00017637) 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, 2018 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:

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members at the Annual General Meeting of the Company held on 26<sup>th</sup> September 2017 appointed M/s. S. Singhvi & Co., Chartered Accountants (FRN: 003872S) as statutory auditors of the Company from the conclusion of 24<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General



Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7 May 2018, ratification of auditors' appointment is no longer required.

The statutory audit report for the year 2017-18 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

#### **Cost Auditors:**

The Board of Directors has on the recommendation of Audit Committee, approved the appointment of M/s. Sagar & Associates, Cost Accountants, Hyderabad as Cost Auditors of the company for the year 2018-2019 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 2016-17 has been filed under XBRL mode within the due date.

The Cost Audit Report for the F.Y 2016-17 does not contain any qualification, reservation or adverse remark.

#### **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, The Company has appointed M/s. Naresh Tiwari & Associates, Practising company secretaries to undertake the Secretarial Audit of the Company for the financial year 2017- 18. The Secretarial Audit Report issued in Form MR-3 is in **Annexure - III** to this Report.

There are no qualifications, Reservations or adverse remarks in the Secretarial Audit Report.

#### **Share capital:**

##### **Preferential allotment:**

During the year the company has issued 27,40,000 equity shares and 5,16,000 convertible warrants on preferential basis to promoter and non-promoter group each at a price of ₹181/-(Including premium of ₹ 171/-). The paid up capital of the company has been increased from ₹50,537,000 divided into 50,53,700 equity shares of ₹ 10/- each to ₹ 77,937,000 divided into 7,793,700 equity shares of ₹ 10/- each.

#### **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 pursuance of 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. RangaRaju as Chairman and Shri Sudhakar Kudva and Shri D. Sadasivudu as members. The details of terms of reference of the Committee members, dates of meeting held and attendance of the Directors are given separately in the Corporate Governance Report.

#### **Internal Financial Controls:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

#### **Conservation of energy, Technology absorption, Foreign Exchange earnings & outgo:**

The particulars as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, are given to the extent applicable in the Annexure forming part of this Report enclosed as **Annexure - I**.