



Bhagiradha Chemicals and
Industries Limited

Making the Right Moves



Creating Value

We are determined to meet the growing expectations of our stakeholders in an evolving world and well-set to augment our innovation and R&D capabilities to develop processes for such technicals and intermediates that meet our clients' needs. We are going to invest in new capacities to meet the growing demand for agrochemicals and making our business more sustainable through cost effective technologies thus placing ourselves in a better position to create long-term value for our stakeholders.

OUR SIX CAPITALS



Financial capital

The multiple sources of funds (both debt and equity) we use to create wealth.



Manufacturing capital

The physical assets and equipment in which we have invested to build capacities and enhance operational efficiency.



Intellectual capital

Our market intelligence, quality, R&D capabilities that enhance our competitiveness.



Social & Relationship capital

Long-term relationships with the supply partners and customers that we are nurturing to make our business more stable.



Human capital

Investments made in the welfare, engagement, skill enhancement, health and safety of our people to ensure value creation.



Natural capital

The natural resources we use conservatively and the impact of our operations on the environment which we strive to reduce.

Contents

CORPORATE OVERVIEW

Bhagiradha Chemicals: A Trusted Name in the Agrochemicals Landscape	02
5 Things that make Bhagiradha Chemicals a proxy of the growing chemical industry	04
Challenging Journey in Pursuit of Excellence	06
Progressing Over the Years	07
Our Inspirers	08
Message from the Desk of the Chairman	09
Message from Managing Director	10
In conversation with Chief Executive Officer	11
Board of Directors	12
Management Discussion and Analysis	13
Corporate Information	24

STATUTORY REPORTS

AGM Notice	25
Board's Report	39
Business Responsibility Report	70
Corporate Governance Report	77

FINANCIAL STATEMENTS

Standalone Financial Statements	
Independent Auditor's Report	106
Balance Sheet	112
Statement of Profit & Loss	113
Cash Flow Statement	114
Statement of Changes in Equity	115
Notes to Financial Statements	116
Consolidated Financial Statements	
Independent Auditor's Report	156
Balance Sheet	162
Statement of Profit & Loss	163
Cash Flow Statement	164
Statement of Changes in Equity	165
Notes to Financial Statements	166



Making the right move necessitates a deep understanding of the business, a clear vision of the future and an unflinching willingness to take the right risks and push beyond current competencies.

This is how, we, at Bhagiradha Chemicals have grown in our 25+ years of existence. We always looked beyond the available product basket with us by leveraging our R&D competencies and consistently came out with new processes for different products. Spread across multiple geographies as a preferred supplier to leading companies with our unwavering focus on quality and timely supplies, we have set new benchmarks in operational excellence and viable practices.

Today, we are a respected brand in the agrochemical industry. With a capacity of 3,250 MTPA and a range of 15 products, we are ably meeting the growing needs of our customers across 14 countries in 5 continents.

We believe that it is time now for us to make the right moves and graduate to the next level of growth.

We are consolidating our multiple years of knowledge and R&D capabilities to broaden the portfolio of our value added products. Steps are on the anvil to expand production capacity and drive operational excellence by investing in a state of the art manufacturing facility through our subsidiary, Bheema

Fine Chemicals Private Limited for expanding the much needed production capacity of the group.

Actions are being taken to expedite products registration across different geographical segments given its importance in capturing market share.

To enable informed decision making and achieve high level of efficiency in company's management operations, implementation of ERP solutions across modules has been initiated.

We are modernising our manufacturing facilities with emphasis on enhancing safety, operational efficiency, quality control and regulatory compliance.

With our concerted efforts, we are confident of a bigger, better and stronger future.





Bhagiradha Chemicals: A Trusted Name in the Agrochemicals Landscape

PROFILE

Promoted by Late Sri Singavarapu Koteswara Rao and Sri Dodda Sadasivudu in 1993, Bhagiradha Chemicals is a globally known R&D driven Agrochemical Company headquartered in Hyderabad, India. Inspired by its promoters and by dint of hard work of their successors and committed workforce, Bhagiradha has emerged as a leading manufacturer of high quality technical grade agrochemicals and their intermediates, positively impacting industries, customers and farmers. Led by a highly qualified and passionate top management with proven skills, it is making steady progress in realizing its long-term growth objectives. Its shares are listed on BSE Limited.

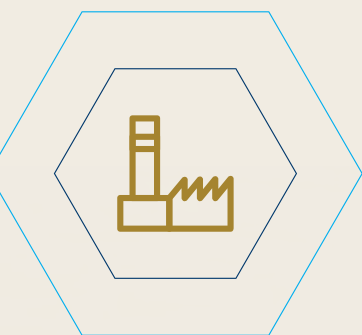
OUR MANUFACTURING FACILITY

Spread across 29.00 hectares, our plant is located at eastern coastal town of Ongole (Andhra Pradesh), 95 miles from the state capital of Andhra Pradesh. It has three production blocks with a cumulative reactor volume of 1076 KL and aggregate built up area of 76,000 Sq ft.

The facility has an extensive storage area – 7,200 sq ft for raw materials, 4,000 sq ft for finished product and 3,200 sq ft for packing materials – which ensures uninterrupted operations. It is equipped with farm tanks for bulk storage of solvents.

OUR DIVERSE MANUFACTURING CAPABILITIES

- Synthesis of substituted pyridines / pyrimidines
- Pressure reactions
- Optically active propionates
- C-C coupling
- Side chain and ring chlorination
- Bromination
- Halex reactions using KF
- Low temperature diazotization
- Reactive distillations
- Amination
- Claisen condensation





VISION

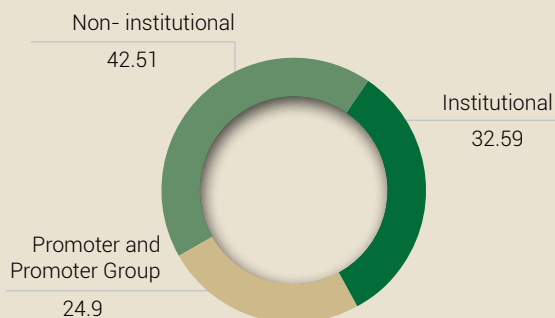
To emerge as a leading agrochemical Company with a decent market share in the domestic segment and a strong presence in the overseas market. Strong emphasis on new markets to ensure diversified revenue streams.



MISSION

Accelerating and focussed growth with strong R&D capabilities and niche chemistry skills.

OUR OWNERSHIP STRUCTURE



OUR SCALE OF OPERATIONS

3,250 MT

Manufacturing capacity



318 Crs

Turnover



23 Crs

Profit



49 Crs

EBITDA



15

Products



14

Countries



Competitive pricing of its products backed by ability to optimize cost of production

Proven quality with international standards

Known for honouring commitment and delivery schedules

OUR REPUTATION



5 Things that make Bhagiradha Chemicals a Proxy of the Growing Chemical Industry

1 DEEP INNOVATION CAPABILITIES

Our R&D Center situated within the factory premises is recognized by Ministry of Science & Technology, Government of India. Having latest equipment and instruments and an expert team of qualified personnel, it is instrumental for the development of viable processes for new products, process upgrades through backward integration and for optimizing existing technologies and scale.

R&D DRIVEN PORTFOLIO

Our deep innovation capabilities have enabled us to establish a portfolio of 15 products spread across various insecticides, herbicides and fungicides and other intermediates.

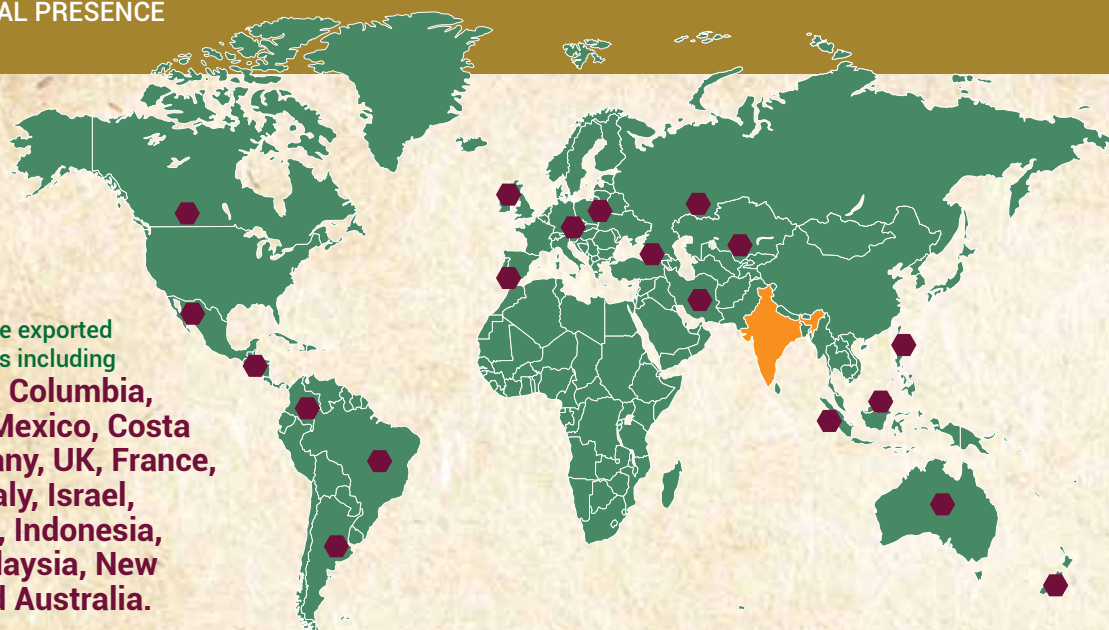
Product	Application
Azoxystrobin	A broad-spectrum fungicide for protecting plants and vegetables/fruits from fungal diseases.
Chlorpyrifos	A broad-spectrum insecticide to control various kinds of pests and insects.
Triclopyr	Controlling broadleaf weeds without affecting grasses and conifers, and rust diseases on crops.
Fipronil	A broad-spectrum insecticide to control cockroaches, termites, fleas etc.
Other products	Imidacloprid, Diafenthiuron, Clodinafop Propargyl, Cloquintocet Methyl and intermediates of Sulfosulfuron, Penoxsulam, Diclosulam, Pyroxsulam, Pinoxaden etc.

2 INTEGRATED OPERATIONS AND MANUFACTURING EXCELLENCE

We have contemporary production facilities with skilled people and advanced production techniques supported by quality control teams to ensure high-quality of products and better overall performance. To cut reliance on imports and ensure un-interrupted operations and to have a competitive edge in pricing, substantial investment has been made for backward integration of few product processes.

3 GLOBAL PRESENCE

Our products are exported across countries including **USA, Brazil, Columbia, Argentina, Mexico, Costa Rica, Germany, UK, France, Portugal, Italy, Israel, Turkey, Iran, Indonesia, Taiwan, Malaysia, New Zealand and Australia.**





4

CONCERN FOR ENVIRONMENT, HEALTH AND SAFETY (EHS) STANDARDS

We are amongst the most responsible manufacturers of agrochemicals. Keeping in view the environmental, legal and regulatory requirements, our organization has been following all such effluent treatment methods to remain as a Zero Liquid Discharge (ZLD) plant since inception. Strippers, multiple effect evaporators, agitated thin film dryers, biological ETP system and RO system are installed in the plant to achieve ZLD. Effective management of wastes – liquid organic waste is sent to cement plants for co-processing and solid waste to secured land filling. Treated effluent is used for cooling tower make up. Emission is controlled through a multi-stage scrubber for all processes, dry vacuum pumps with exhaust condenser, chilled brine condenser and VOC monitoring in processes and use of mechanical dust collector and bag filter in boilers. A sewage treatment plant is installed to treat and reuse water from toilets and canteen.

We have also adopted best safety practices and infrastructure. Occupational Health Center with necessary medical facilities and qualified medical practitioners is set up within the facility. Safety training and audits are carried out periodically to prevent and face any untoward incident. Our plant is also equipped with fire hydrant system, auto fire extinguishers and earth fault protection system.

5

CLIENTELE AND LONG-STANDING RELATIONS

Leading MNCs like Corteva have longstanding relationship with us. The likes of UPL, NACL, Nichino India, Sumitomo India, Sulphur Mills, Gharda Chemicals, and Dhanuka are our important customers in the domestic market.

MAKING THE RIGHT MOVE FOR ENHANCED VALUE CREATION

Acquired 33.90 acres land to set-up a new plant in Kadechur Industrial Area, Karnataka for manufacturing speciality agrochemical products and intermediates with an installed **capacity of 9,000 MTPA**. It shall be implemented over a period of 6 years in three phases with an aggregate outlay of about ₹ 375 Cr

Build capacities

- Talented R&D team committed to innovation and **development of novel processes**
- **Commercial launch of two insecticides** – Fipronil and Pymetrozine during the year, witnessing good traction
- Process technologies in the pipeline for key off-patent products
- **Dinotefuran, an insecticide**, is awaiting approval of domestic registration which will be a good addition to our product range

Widening portfolio with innovative practices

Drive efficiencies

- **In the process of implementing ERP solution** to enable faster and informed decision making.
- **Strengthened registration department** to accelerate local and international registration of our products

ESG stewardship

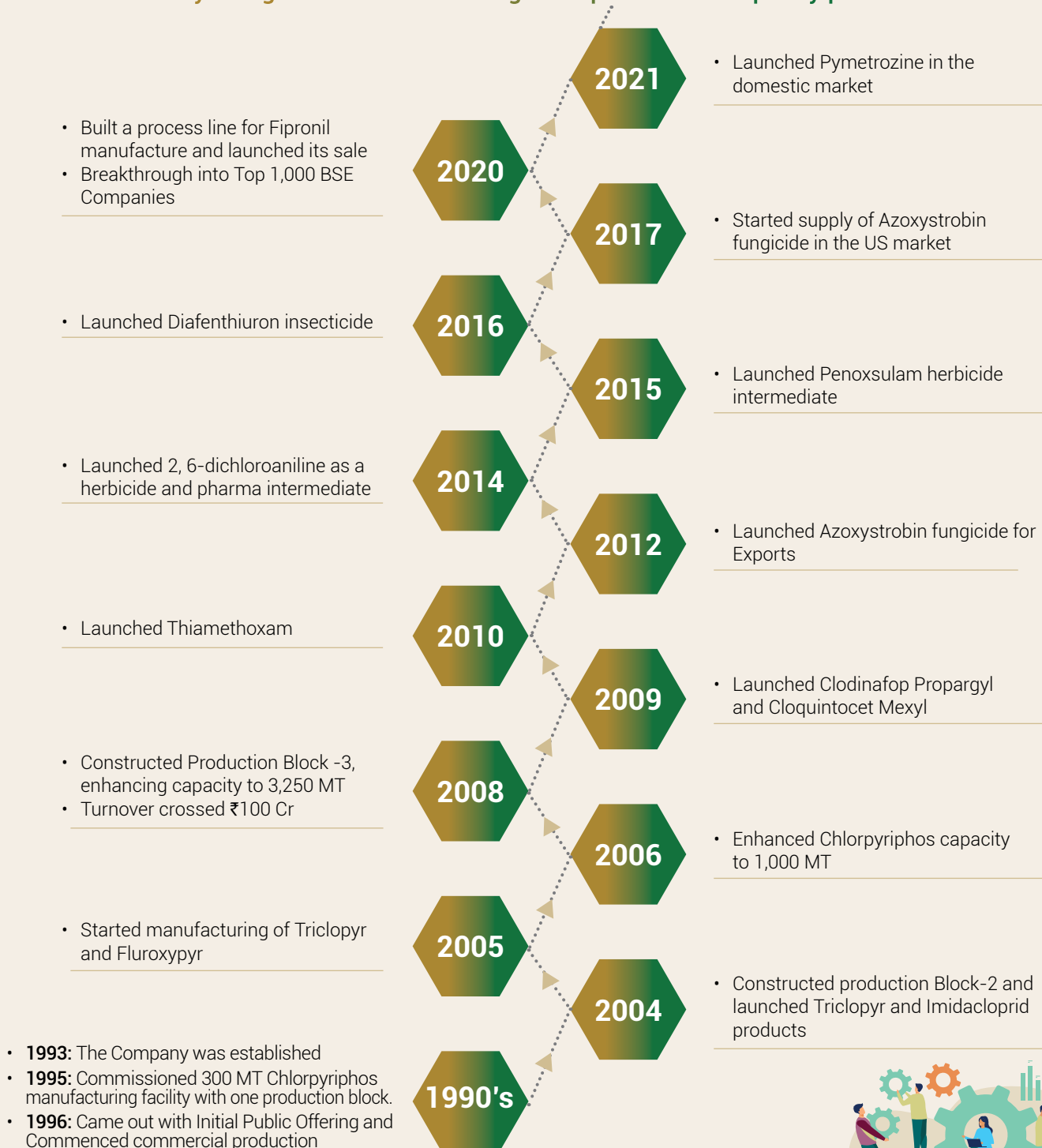
- **Robust governance framework** for welfare and protection of stakeholders' rights
- **Make continuous investments** in technologies and employee development
- **Acquired 32 acres of land** abutting the existing factory in the recent past for **developing green belt**





Challenging Journey in Pursuit of Excellence

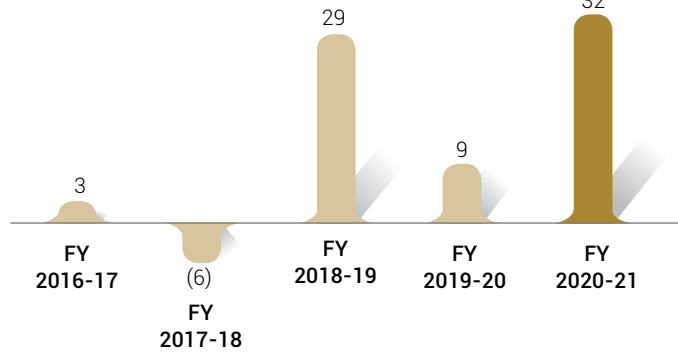
Our journey of 25+ years has not just been about creating a big company, but rather a better and responsible one that makes a difference to the customers and the society. We have ensured this by using best of the technologies to produce best quality products.



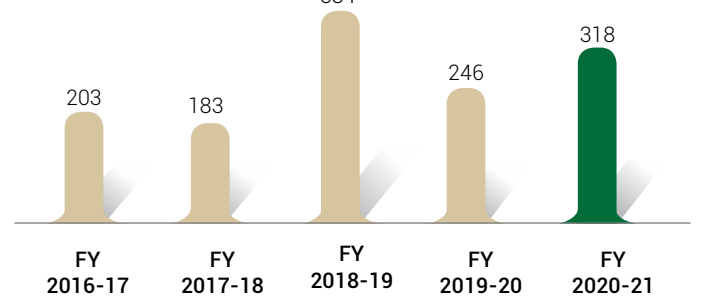


Progressing Over the Years

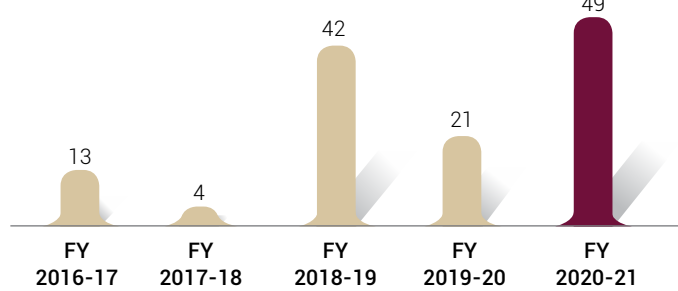
PROFITABILITY (₹ Cr)



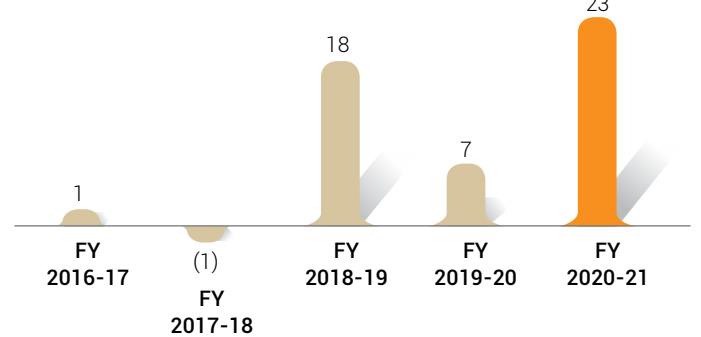
TURNOVER (₹ Cr)



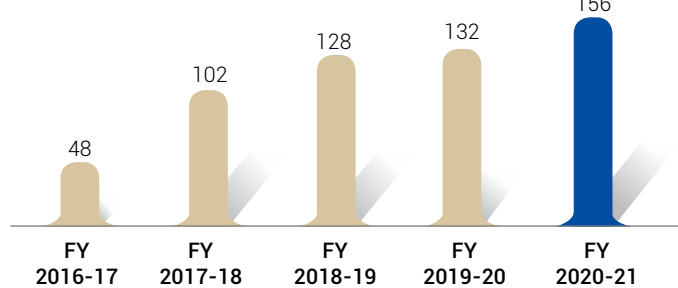
EBITDA (₹ Cr)



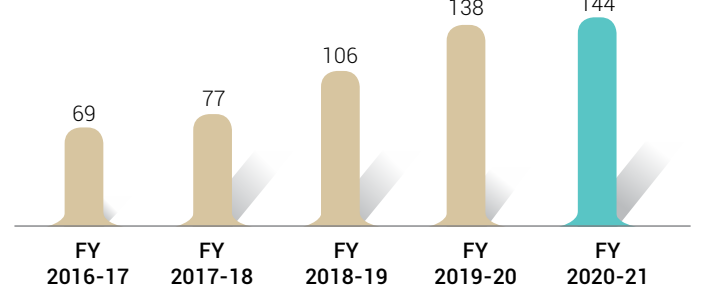
PROFIT AFTER TAX (₹ Cr)



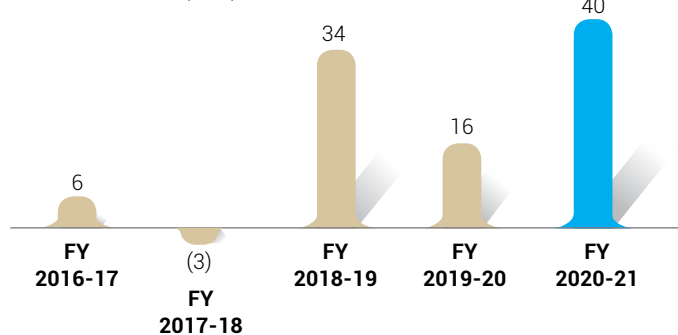
NET WORTH (₹ Cr)



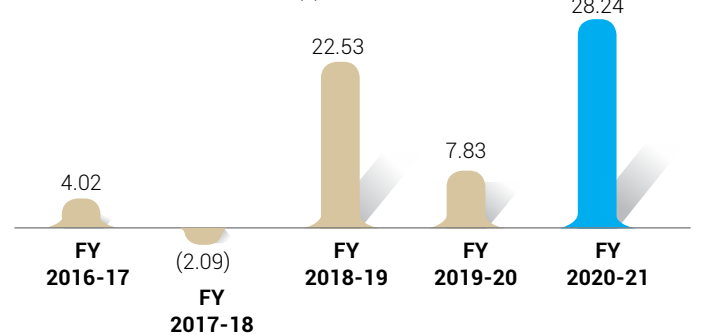
NET FIXED ASSETS (₹ Cr)



CASH PROFIT (₹ Cr)



EARNINGS PER SHARE (₹)





Our Inspirers



Sri Singavarapu Koteswara Rao (07.09.1945 to 04.07.2010)

Our Founder-Our Visionary

"Sri Koteswara Rao was a Post Graduate in Chemical Engineering from IIT, Madras and a former Scientist of the Indian Institute of Chemical Engineering, Hyderabad. He was assigned a critical role in IICT's maiden project for development of processes for commercial manufacture of pesticides by virtue of his prior experience in various facets of plant operations in Germany. He received accolades for successfully completing those assignments."

At the age of 47, with limited economic resources, he ventured to set up Bhagiradha in the remote Cheruvukommupalem village of Prakasam District, to realize his dream of making affordable agrochemicals available to the farmer community. It was his belief in his ability to succeed that made him to give up a rewarding career in the IICT and many other lucrative overseas assignments. Today, Bhagiradha is a

testimony of his vision and spirit creating employment and succour for hundreds of locals.

We, Bhagiradhians, owe our beloved founder a debt of gratitude for all that we are today and continue to derive inspiration from his positive legacy to live up to his values.

Dr. M Pardhasaradhi

The Man behind our R&D credentials

"It was in the year 2004, that Bhagiradha established its R&D unit at Hyderabad under the aegis of Dr Parthasaradhi as its Director. Dr Parthasaradhi nurtured and ignited passion in the R&D team of Bhagiradha in its nascent stage till the unit was relocated to Ongole in the year 2008. It also gained the recognition of the DSIR during his stewardship. Manufacturing processes for a good number of Bhagiradha's products were developed and commercialized under his direction."



Dr. Parthasaradhi, was awarded a Ph.D. degree in Chemistry for the research in Natural Products by Andhra University. He developed the process for preparation of Unsymmetrical Dimethyl Hydrazine (UDMH) a rocket propellant for DRDL Hyderabad. In 1975, he coordinated the first M Phil course in chemistry for University of Hyderabad and went as Research Associate to University of California, Berkeley and worked on Morphinan Synthesis.

In the year 1998, Dr. Pardhasaradhi demonstrated the process for preparation of Phenylacetic acid via carbonylation to Rashtriya Chemicals and Fertilizers (RCF) Mumbai and a catalytic process for

preparation of ethyl chloroacetate from chloroacetic acid to M/S Lupin Chemicals. Dr Pardhasaradhi's research work also includes process development for Amylmetacresol, an anti-protozoal to M/S Makson Pharmaceuticals Ltd., Gujarat and for Losartan-K and Doxazocin, antihypertensives to M/S Cadilla. Dr Pardhasaradhi published several research papers and processes which were patented in India and the USA. During the period from 2004-2008, he was a member of AP Pollution Control Appellate Authority.

Bhagiradha values and acknowledges his significant contribution in its journey as a research based Agrochemical Company.



Sri Dodda Sadasivudu

Natural Partner

"Sri Sadasivudu, a Senior Assistant Director of the Indian Institute of Chemical Technology, was associated with our founder on developing process technology for manufacture of pesticides, during his stint with IICT. He chose to take voluntary retirement and partnered with our founder to co-promote Bhagiradha and has been its Executive Director till August 2012. He is currently a Director on the Board of Bhagiradha."

A Post Graduate in Chemical Plant Engineering from NIT (REC), Warangal and an M.Sc. from the University of Salford, England, Sri Sadasivudu specialized in Process development and design of Commercial Chemical Plants. He played a significant role from

conception to commissioning of Bhagiradha's manufacturing plant at Ongole. His guidance over the years has been of utmost value to the organization.

