



Building a sustainable future



Bhagiradha Chemicals and Industries Limited

29TH ANNUAL REPORT 2021-22

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Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events, or otherwise.

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BUILDING A CREDIBLE BRAND IN THE AGROCHEMICAL SECTOR

Our robust innovations and agile developments make us one of the leading manufacturers of agrochemicals. Our strengths include a diversified product line, premier quality, an elite client base and a diverse revenue mix.

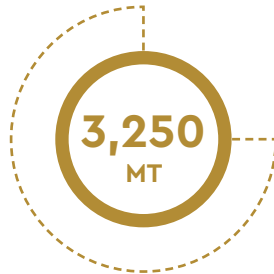
Established in 1993, we have evolved over the years to fulfil the needs of our global clients by using our expertise to meet their quality requirements. We have a robust R&D department which has been recognised by the Department of Scientific and Industrial Research (DSIR), where we continuously strive to develop

efficient and novel processes for manufacturing high-quality pesticides and their intermediates.

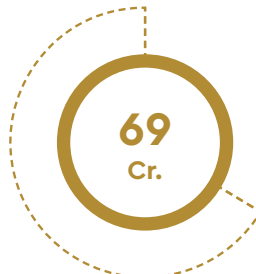
Our company has commercialized 28 products since its inception and made exports to 23 countries. The processes for making all these products were developed in-house by our R&D team.



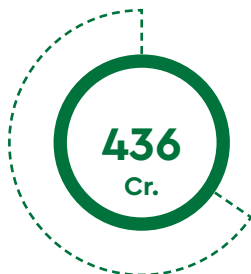
Manufacturing Capacity



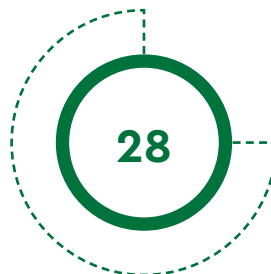
EBITDA (in ₹)



Turnover FY 2021-22 (in ₹)



Products



Profit FY 2021-22 (in ₹)



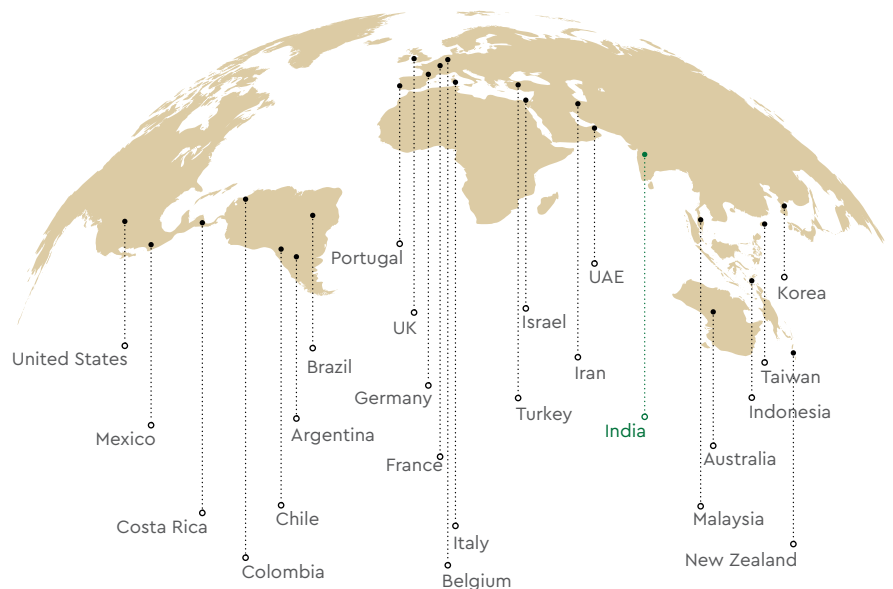
Presence



Our manufacturing plant situated at Yerajala Road, Cheruvukommupalem Village – 523272, Ongole Mandal, Prakasam District, Andhra Pradesh, India has 3 production blocks and 4 process lines for manufacturing different products. The facility has its own effluent treatment plant within the factory premises with modern equipment and adapted a zero liquid discharge system.

EMPOWERING FARMERS ACROSS GEOGRAPHIES

Our products cater to the domestic and the world markets. Countries where we export our products to are:





MACROECONOMIC TAILWINDS FOR GROWTH



Growing need for Sustainable Products

Given India's vast agro-climatic diversity and limited farmland, there is an increased need of newer products that are safe, eco-friendly and more effective.

With increasing population and evolving consumer demand and lifestyle, there is a significant need to adopt sustainable ways to maximise efficiency. On the other hand, India has low agricultural productivity because of low use of crop protection chemicals.

Therefore in a bid to increase the agricultural output the government has been providing support to increase awareness and production of eco-friendly products. The government has also introduced PLI schemes to boost the production of eco-friendly products.



An increased focus on innovation

With the growing demand for various agrochemical products, the market's major players are focusing on R&D investments, deliver products that will cater to the evolving needs of consumers, and simultaneously focusing on investing in innovations, collaborations, and expansions in order to increase their market share through mergers, acquisitions and partnerships. Innovation efforts have also become aggressive to make India an agrochemical manufacturing hub.





Government initiatives

The contribution of the agriculture sector to India's GDP has increased over the years. The Indian government, having recognised the potential of agrochemicals, identified it as one of the pillars of the economy.

The Government's Production-linked Incentive (PLI) scheme was initiated to promote domestic manufacturing of many important sectors and the Pesticides Manufacturers and Formulators Association of India is urging the government to extend the benefit of PLI scheme to agrochemical sector also.

The steps taken by Government of India under 'Atmanirbhar Bharat' initiative shall start yielding results and benefit companies like ours with technology competence.



our core capabilities



Led by a second generation technocrat entrepreneur with an experience of about 20 years, the company can boast of proven manufacturing capabilities with well defined processes. In line with the changing requirement of customers our company invests in the required technologies to stay relevant in the market.



Deepening Market Presence

We continue to expand our market presence with increased spending on domestic and overseas registration.



R&D Team

Our R&D team comprises of competent and committed personnel with decades of experience providing steady pipeline of innovative and efficacious products.



Employees

We employ about 600 people including on contract basis developing and nurturing talent across levels to enhance technical and leadership skills.



Widened product portfolio

We possess a balanced product portfolio across fungicides, insecticides and herbicides segments and launched 6 new products during last 5 years.



CHAIRMAN'S INSIGHTS



Dear Shareholders,

The year 2021-22 has been a mixed bag as the pandemic and its associated impacts persisted for most part of the year. As the economies prepared to put the worst impacts of the pandemic behind, Russia's invasion of Ukraine posed new challenges to the world. The geopolitical repercussions of the war led to soaring commodity prices and unanticipated disruptions in the supply chains.

In the wake of these sudden developments, our Company too is facing its share of challenges. Given the heavy dependence of agrochemical



manufacturers, on imports from China, we being no exception, shortage of raw materials posed serious challenges. To overcome the escalating supply chain uncertainty, driven by manufacturing disruptions and potential or real bottlenecks, we had to take counter measures such as increased safety stocks and firming up negotiated transactions for procurement in the near term, while passing on a slice of the price hike to our customers.

During the fiscal under review a favourable policy, environment supported the growth in agricultural sector, especially products like fertilisers. With the government's enhanced push being given to the agriculture industry, the agrochemical industry is set to continue with its growth trajectory in the current fiscal.

The China +1 strategy will be beneficial for India as major consumers might prefer to shift their supplier base to India. This, along with sustained demand from

countries like the US, Brazil and European Union and the improving pesticide consumption trends in our country should contribute to the growth of agrochemical industry in India. Your Company is looking forward to capitalize on such available opportunities in the domestic as well as the overseas markets. Powered by a competent team with the mind-set to deliver, I am confident in our ability to create value for all our stakeholders, even though uncertainties prevail.

I would like to specially thank all our shareholders and employees for making our recent fund raise an overwhelming success. I would also like to thank the governments at the state and centre, our Customers, Vendors, bankers and all other stakeholders who supported us at all times.

Best Regards,

K Satyanarayana Raju
Chairman

Powered by a competent team with the mind-set to deliver, I am confident in our ability to create value for all our stakeholders, even though uncertainties prevail.



MD'S PERSPECTIVE



We delivered a record financial performance in the year under review. We crossed the milestones of ₹ 400 crore sales turnover and ₹ 50 crore PBT in the fiscal while achieving sequential growth quarter-on-quarter on a standalone basis.

Dear Shareholders,

The fiscal 2021-22 was an eventful year of significant progress and continued success for us. We delivered strong business performance despite challenges in our operating environment reflecting our robust business model.

We delivered a record financial performance in the year under review. We crossed the milestones of ₹ 400 crore sales turnover and ₹50 crore PBT in the fiscal while achieving sequential growth quarter-on-quarter on a standalone basis. We registered a sales revenue of ₹435.67 crores compared to ₹317.90 crores in the previous year. Our profit before tax improved to ₹ 51.46 crores from ₹ 31.23 crores and the Profit after

tax improved to ₹ 35.90 crores from ₹ 23.46 crores of the previous year. Strong growth in domestic sales and improved performance in the export sales contributed for the significant jump in the revenue and profits.

In line with our strategy to reduce the level of dependence on imports from China, we have, over the years, constantly focused on backward integration with significant capex investment to make certain intermediates on our own. Strategies such as this and the right selection of products in alignment with the market demand and timely procurement of raw materials resulted in posting better numbers.

We are continuing to pursue expeditious registration approvals in the domestic and overseas

arenas for a good number of commercially potential products which are in the pipeline.

As we have entered the new fiscal, we hope that we will sustain the growth momentum of the last couple of years and keep earning the confidence of our shareholders and customers as we chart new frontiers of growth.

Warm regards,

S Chandra Sekhar
Managing Director

