



BOARD OF DIRECTORS

D. Ranga Raju : Chairman
K. S. Raju : Director
A. Hari Prasad : Director
Dr. S. Ramnarayan : Director
Sudhakar Kudva : Director
D. Sadasivudu : Executive Director
S. Koteswara Rao : Managing Director

BANKERS

State Bank of India
AXIS Bank Limited
State Bank of Indore

AUDITORS

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

16th ANNUAL GENERAL MEETING

Day : Friday
Date : July 31, 2009
Time : 3.00 P.M.
Venue : Hotel Green Park
Greenlands, Ameerpet
Hyderabad - 500 016

REGISTERED OFFICE

8-2-269/S/3/A,
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 | 7 |
| Corporate Governance Report | 14 |
| Auditors' Report | 27 |
| Balance Sheet | 32 |
| Profit & Loss Account | 33 |
| Cash Flow Statement | 34 |
| Schedules (1 to 16) | 36 |
| ECS Mandate | 53 |
| Proxy Form and Attendance Slip | |



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held at 3.00 P.M. on Friday the 31st day of July, 2009 at Hotel Green Park, Greenlands, Ameerpet, Hyderabad-500 016 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date, together with the Director's and Auditor's reports thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2009.
3. To appoint a director in the place of Dr. S. Ramnarayan who retires by rotation in terms of Article 143 of the Articles of Association and being eligible, offers himself for re-appointment.
4. 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.
5. To reappoint M/s. R. Kankaria & Uttam Singhi, Chartered Accountants 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 authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

"RESOLVED THAT Sri Sudhakar Kudva, who was appointed as an additional director of the company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as director of the company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read together with Schedule XIII of the Companies Act, 1956, and subject to such approvals as may be necessary under various statutes, consent of the members of the company be and is hereby accorded for increase in the remuneration of Sri S. Koteswara Rao, Managing Director of the company for the period from 01-02-2009 to 28-02-2010 as follows:



1. Salary Rs. 2,80,000/- per month
2. Perquisites
 - i) Contribution to provident fund as per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952.
 - ii) Gratuity as per the rules of the company.
 - iii) Reimbursement of actual medical expenses (including insurance premium for medical and hospitalization policy).
 - iv) Insurance premium, car facility and telephone facility, and
3. Commission of 1% of net profit.

RESOLVED FURTHER THAT in the event of inadequacy of profits in any financial year the remuneration of Sri S. Koteswara Rao, Managing Director shall be governed by the limits prescribed in Section II of Part II of the Schedule of XIII of the Companies Act, 1956."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read together with Schedule XIII of the Companies Act, 1956, and subject to such approvals as may be necessary under various statutes, consent of the members of the company be and is hereby accorded for increase in the remuneration of Sri D. Sadasivudu, Executive Director of the company for the period from 01-02-2009 to 28-02-2010 as follows:

1. Salary Rs. 1,40,000/- per month
2. Perquisites
 - i) Contribution to provident fund as per the provisions of the Provident Fund and Miscellaneous Provisions Act, 1952.
 - ii) Gratuity as per the rules of the company.
 - iii) Reimbursement of actual medical expenses (including insurance premium for medical and hospitalization policy).
 - iv) Insurance premium, car facility and telephone facility, and
3. Commission of 1% of net profit.

RESOLVED FURTHER THAT in the event of inadequacy of profits in any financial year the remuneration of Sri D. Sadasivudu, Executive Director shall be governed by the limits prescribed in Section II of Part II of the Schedule of XIII of the Companies Act, 1956."

By Order of the Board

Place: Hyderabad
Date: 27.06.2009

Mary Monica Braganza
Company Secretary



Bhagiradha Chemicals & Industries Limited

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 atleast 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from 25-07-2009 to 31-07-2009 (both days inclusive).
4. The members may address their communication 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.
5. 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 the Investor Education and Protection Fund. The details of dividend declared/paid for the year 2003-04 onwards are given below:

| Financial year | Date of declaration of dividend | Last date for claiming unpaid dividend | Due date for transfer to IEP Fund |
|----------------|---------------------------------|--|-----------------------------------|
| 2003-2004 | 24-09-2004 | 23-09-2011 | 22-10-2011 |
| 2004-2005 | 29-07-2005 | 28-07-2012 | 27-08-2012 |
| 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 | 12-12-2015 |

Members, who have not so far en-cashed the dividend warrant(s) for any of the above financial years are requested to write to the company for revalidation of dividend warrants before the last date for claiming of unpaid dividend.

6. 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.

By Order of the Board

Place: Hyderabad
Date: 27.06.2009

Mary Monica Braganza
Company Secretary



ANNEXURE TO THE NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 6

Sri Sudhakar Kudva was appointed as additional director of the company on October 31, 2008 under Article 129 of the Articles of Association of the company. As per the provisions of Section 260 of the Companies Act, 1956, Sri Sudhakar Kudva holds office as a director of the company only up to the date of the ensuing Annual General Meeting of the company.

Notice under Section 257 of the Companies Act, 1956 has been received from a member along with a deposit of Rs. 500/- proposing the appointment of Sri Sudhakar Kudva as a director of the company.

Sri Sudhakar Kudva (59) is a Fellow Member of the Institute of Chartered Accountants of India. He has over 34 years of experience in various senior positions in India and abroad. He has worked with the Nagarjuna Group, Hyderabad from 1981 to 1992, the Indian Seamless Group, Pune from 1992 to 2003 and with Arcelor Mittal, Algeria from 2003 to 2007. The industry spectrum of his experience includes 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. Sri Sudhakar Kudva is a director in Nagarjuna Agrichem Limited. He does not hold any committee memberships in other companies in which he is a director.

Sri Sudhakar Kudva does not hold any shares in the company. The disclosure in this respect is received from him.

The company will benefit from the experience of Sri Sudhakar Kudva in corporate and finance related matters.

The Board recommends his appointment.

Except Sri Sudhakar Kudva none of the other directors of the company are in any way, concerned or interested in this resolution.

Item No. 7

The Shareholder's at the Twelfth Annual General Meeting held on July 29, 2005 approved the appointment and remuneration payable to the Managing Director for a period of five years w.e.f. March 1, 2005. The Remuneration Committee and the Board of Directors have at their meetings held on April 27, 2009 approved an increase in the monthly salary of the Managing Director from Rs. 1,00,000/- to Rs. 2,80,000/- for the period 01-02-2009 to 28-02-2010, with the existing perquisites and commission remaining unchanged.

Sri S. Koteswara Rao (63), promoter of the company is a Post Graduate in Chemical Engineering from IIT Chennai, having about 10 years of industrial experience in Germany and 14 years



of experience in India with IICT and in Industry. He has been the Managing Director of the company since 1995.

The Board recommends the proposed resolution for approval.

Sri S. Koteswara Rao may be deemed to be interested in the proposed resolution to the extent of his remuneration. No other director of the company has any interest or concern in the proposed resolution.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under section 302 of the Companies Act, 1956.

Item No. 8

The Shareholder's at the Twelfth Annual General Meeting held on July 29, 2005 approved the appointment and remuneration payable to the Executive Director for a period of five years w.e.f. March 1, 2005. The Remuneration Committee and the Board of Directors have at their meetings held on April 27, 2009 approved an increase in the monthly salary of the Executive Director from Rs. 60,000/- to Rs. 1,40,000/- for the period 01-02-2009 to 28-02-2010, with the existing perquisites and commission remaining unchanged.

Sri D. Sadasivudu (62) holds Post Graduate degrees in Chemical Engineering from Osmania University and from the University of Salford, England. He was an Assistant Director of the Design & Engineering Division of IICT before promoting the company. He has been the Executive Director of the company since 1995.

Sri D. Sadasivudu may be deemed to be interested in the proposed resolution to the extent of his remuneration. No other director of the company has any interest or concern in the proposed resolution.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under section 302 of the Companies Act, 1956.

By Order of the Board

Place: Hyderabad
Date: 27.06.2009

Mary Monica Braganza
Company Secretary



DIRECTORS' REPORT

To
The Shareholders

Your directors have pleasure in presenting the sixteenth annual report together with the audited accounts of the company for the year ended 31st March 2009.

Financial Results

| | (Rs. in lakhs) | |
|--|--------------------------|--------------------------|
| | Year ended 31-03-2009 | Year ended 31-03-2008 |
| Net sales and other income | 10469 | 8421 |
| Operating Profit (PBDIT) | 1525 | 1124 |
| Less: Depreciation | 278 | 240 |
| Less: Interest | 156 | 141 |
| Profit Before Tax | 1091 | 743 |
| Less: Provision for Tax (Incl. deferred tax) | 143 | 89 |
| Net Profit | 948 | 654 |
| Balance brought forward from previous year | 2465 | 2109 |
| Profit available for appropriation | 3413 | 2763 |
| - Dividend including corporate dividend tax | 177 | 148 |
| - Transfer to General Reserve | 150 | 150 |
| - Balance carried to Balance sheet | 3086 | 2465 |

Dividend

The Board of Directors of the company, at its meeting held on November 14, 2008 declared an interim dividend of 10%, which is already paid. Your directors are now pleased to recommend a final dividend of 20%. The total dividend for the financial year 2008-2009 therefore sums up to 30% (i.e.) Rs. 3/- per equity share of Rs.10/- each.

Operations

The manufacturing operations during the year were satisfactory with the production of chlorpyrifos at 1978 MT (2133 MT) and fluroxypyr at 344 MT (270 MT). The manufacture of the additional product clodinafop was commenced towards the end of the financial year and 1.2 MT of the product was exported.

The net revenue for the current year was Rs. 10469 lakhs (Rs. 8421 lakhs) which includes an export income of Rs. 7805 lakhs (Rs. 5868 lakhs). The profit before tax was Rs. 1091 lakhs (Rs. 743 lakhs).



Safety, Health and Environment

Your company fully complies with the requirements and has a good record in matters relating to safety, health and environment.

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 judgments 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 2009 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 of the Director's Report.

Directors

Sri G. Satyanarayana Raju has resigned from the Board of Directors of the company on November 30, 2008. The Board places on record its appreciation of the valuable services rendered by Sri G. Satyanarayana Raju.

Sri Sudhakar Kudva was appointed as additional director on October 31, 2008 and holds office as director of the company up to the ensuing Annual General Meeting. A notice has been received from a member under Section 257 of the Companies Act, 1956, conveying his intention to propose the appointment of Sri Sudhakar Kudva as Director of the company.



Dr. S. Ramnarayan and Sri D. Ranga Raju, directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

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 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.

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 Exchanges in Mumbai and Hyderabad. The Hyderabad Stock Exchange Limited has been derecognized by SEBI on 29-08-2007. Hence, the company has paid annual listing fee for the year 2009-2010 only to the Bombay Stock Exchange.

Particulars of Employees

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is furnished in the Annexure to this Report and forms part of this Report.

Acknowledgement

The Board places on record its appreciation of the valuable co-operation and continuous support extended to the company by its Bankers namely, State Bank of India, AXIS Bank Limited and State Bank of Indore. The support received from the statutory organizations, esteemed customers and the members of the company is gratefully acknowledged.

For and on behalf of the Board

Place : Hyderabad

Date : 27.06.2009

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:



Bhagiradha Chemicals & Industries Limited

FORM - A

(See Rule - 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

(Amount in Rupees)

| Particulars | For the year ended | |
|--|--------------------|------------|
| | 31-03-2009 | 31-03-2008 |
| I) ENERGY CONSERVATION | | |
| A. Power & Fuel Consumption | | |
| 1. Electricity | | |
| i) Purchased units (kwh) | 9,426,802 | 9,388,352 |
| Total Amount (Rs.) | 30,065,049 | 30,414,353 |
| Unit Rate (Rs.) | 3.19 | 3.24 |
| ii) Own Generation (on Diesel) | | |
| a) Diesel Consumption (Ltrs) | 90,900 | 40,600 |
| Units | 272,700 | 121,800 |
| Units per Ltr of Diesel Oil | 3.00 | 3.00 |
| Total Amount (Rs.) | 31,60,397 | 1,358,070 |
| Unit Cost (Rs.) | 11.59 | 11.15 |
| 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) | 11,331 | 11,083 |
| Total Amount (Rs.) | 44,606,928 | 36,241,356 |
| Average Rate / MT | 3,937 | 3,270 |
| 3. Furnace Oil | | |
| Quantity (Ltrs) | 456,800 | 308,400 |
| Total Amount (Rs.) | 10,712,820 | 5,279,361 |
| Average Rate / Ltr | 23.45 | 17.12 |
| 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) | 4,099 | 3,892 |
| Furnace Oil (Ltrs) | 197 | 123 |
| Coal - Quality 'C' Grade (MT) | 4.88 | 4.29 |
| Others (Specify) | Nil | Nil |



FORM - B
(See Rule - 2)

Form for disclosure of particulars with respect to technology absorption

Research and Development

- 1) Specific areas in which R&D is carried out by the company
 - Process development
- 2) Benefits derived as a result of the above efforts
 - Technologies for two additional products were developed
- 3) Future plan of action
 - Development of technologies for key intermediates
- 4) Expenditure on R&D for the year 2008-2009

| | |
|---|--------------|
| | Rs. in Lakhs |
| - Capital | 100.27 |
| - Recurring | 54.47 |
| - Total | 154.74 |
| - R&D expenditure as a percentage of total turnover | 1.48% |

Technology, absorption, adaptation and innovation

- 1) Efforts in brief, made towards technology absorption, adaptation and innovation.
 - Process technologies are developed in-house at the R&D center
- 2) Benefits derived as a result of the above efforts
 - Improvement in the quality of products and cost of manufacture.
- 3) In case of imported technology (imported during the last 5 years) give details of technology imported, year of import and whether technology fully absorbed.
 - No technology has been imported by the company.

Foreign Exchange Earnings and Outgo

| | |
|------------|--------------|
| | Rs. in Lakhs |
| - Earnings | 7,805.06 |
| - Outgo | 2,977.82 |

STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT

Information as per Section 217(2A) of the Companies (Particulars of Employees) Rules 1975, are given hereunder:

| Name | Designation/ Nature of duties | Remuneration* (Rupees) | Qualification | Experience (Years) | Date of commencement of employment | Age (Years) | Particulars of last employment/ employer, last post and period for which post held |
|------------------|-------------------------------------|---------------------------|-------------------------------------|-----------------------|--|----------------|--|
| S. Koteswara Rao | Managing Director | 2,811,647 | M.Tech (Chemical Engineering) | 40 | 07-07-1993 | 63 | Executive Director Vantech Industry Ltd |

*Remuneration includes salary, medical insurance, company's contribution to provident fund and commission.



ANNEXURE

MANAGEMENT DISCUSSION AND ANALYSIS

a) **Industry structure and developments**

The company currently manufactures three agrochemical actives for sale in India and export. The products fall into the general category of generics comprising of insecticides and weedicides.

The drought in South America has affected the company's sales of the insecticide chlorpyrifos, while the export of weedicides was satisfactory.

b) **Opportunities and threats**

The company has introduced clodinafop as an additional product during current the year and is planning to add two more products in the coming year. Exports constitute a major part of the company's revenue and hence currency fluctuations affect the financial performance.

c) **Financial performance vis-à-vis operational performance**

The company has recorded satisfactory operational and financial performances during the year under review.

d) **Outlook**

The agrochemical industry is now recovering from a slump and the outlook for the coming decade is considered bright.

e) **Risks and concerns**

A large number of agrochemical actives are coming out of patent at this time which will affect the demand and the life cycle of the existing products. The company is addressing to these concerns of product obsolescent by its intensive efforts of process development to broad base its product range.

f) **Internal control system and their adequacy**

The company has proper and adequate systems of internal controls, which ensure that all the assets are safeguarded and that all transactions are authorized recorded and reported correctly. The company maintains adequate and effective internal control system and suitable monitoring procedures with regard to the purchase of raw materials, stores, plant & machinery, equipment and other assets as well as for sale of goods. The finance and commercial functions have been structured to provide adequate support and controls for the business of the company.



g) Industrial relations and human resource development

The company has cordial and harmonious industrial relations. Opportunities for individual growth, creativity and dedicated participation in organizational development are being provided.

The employee strength as on March 31, 2009 was 230.

h) Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ from those expressed or implied. Many important factors including global and domestic demand-supply conditions, prices, raw materials costs and availability, changes in government regulations, tax laws and other statutes may affect the actual result which could be different from what the director's envisage in terms of future performance and outlook.

**CORPORATE GOVERNANCE****I. Company's philosophy on code of governance**

The company has established a code of governance based on transparency and accountability with an absolute commitment to the welfare of employees; creating a fulfilling business atmosphere; establishing a faithful and transparent relationship with suppliers and customers; and meeting the aspirations of the stakeholders with sustained growth.

II. Board of Directors**a) Composition of the Board**

The present strength of the Board of Directors is seven comprising of two executive directors and five non-executive directors. The particulars of the directors, their category, attendance at meetings, other directorships and memberships in committees are given in Table 1.

Table 1

| Sl. No | Name of the Director | Category | No. of Board Meetings attended 2008-09 | Whether attended previous AGM held on 31-07-08 | No. of other Directorship | No. of Committee Positions in other companies (Audit, remuneration & share committee) | |
|--------|--|---------------------------|--|--|---------------------------|---|----------|
| | | | | | | Member | Chairman |
| 1. | Sri D. Ranga Raju Chairman | Non-Executive Independent | 5 | Yes | 3 | 3 | None |
| 2. | Sri S. Koteswara Rao Managing Director | Promoter, Executive | 5 | Yes | 1 | None | None |
| 3. | Sri D. Sadasivudu Executive Director | Promoter, Executive | 5 | Yes | None | None | None |
| 4. | Sri G. Satyanarayana Raju Director (Resigned 30-11-2008) | Non-Executive | 2 | No | – | – | – |
| 5. | Sri K.S. Raju Director | Non-Executive | 4 | No | 19 | 3 | 2 |
| 6. | Sri A. Hari Prasad Director | Non-Executive Independent | 4 | Yes | None | None | None |
| 7. | Dr. S. Ramnarayan Director | Non-Executive Independent | 5 | Yes | None | None | None |
| 8. | Sri Sudhakar Kudva Director (Appointed 31-10-2008) | Non-Executive Independent | 2 | – | 1 | None | None |

None of the directors on the Board, is a member of more than ten committees (audit, remuneration & shares committee) or Chairman of more than five committees, across all companies in which he is a director. The necessary disclosures regarding committee position were made by the directors.



b) Board Meetings

During the financial year 2008-09, the Board of Directors have held five meetings on the following dates: May 26, 2008; July 31, 2008; October 31, 2008; November 14, 2008 and January 31, 2009.

The time interval between any two meetings did not exceed four months.

The information as required under clause 49 of the listing agreement is made available to the Board. The agenda and the related papers for consideration at the Board meeting are circulated sufficiently in advance of the Board Meetings. Adequate information is circulated as part of the agenda papers and is also made available at the meeting to enable the Board to take informed decisions.

c) Brief resume of the Directors seeking re-appointment

Dr. S. Ramnarayan (59) did his graduation in engineering from University of Pune, post-graduation in management from the University of Bombay and Doctorate in Organizational Behaviour from the Case Western Reserve University, Cleveland, Ohio, USA.

Presently, he is Professor at the Indian School of Business (ISB) and Member, Management Council of ISB's Centre for Leadership, Innovation and Change (CLIC). He has worked with a large number of organizations in different sectors on a variety of assignments in the areas of change, leadership and management development. He has carried out assignments funded by different international agencies, and has authored research papers, monographs, case studies and books. Dr. S. Ramnarayan does not hold any other directorship.

Sri D. Ranga Raju (72) years, is a Commerce Graduate having over 45 years of experience in manufacture and marketing of agrochemicals. Sri D Ranga Raju is associated with the company as a director since March 1995. The names of the other companies in which Sri D. Ranga Raju is a director are given hereunder:

1. Vijaynagar Biotech Limited
2. Vijaynagar Iron & Steel Products Private Ltd
3. Nagarjuna Agrichem Limited

Sri D. Ranga Raju is a member of the Audit Committee in Vijaynagar Biotech Limited and a member of the Audit Committee and the Shareholders/Investor Grievance Committee of Nagarjuna Agrichem Limited.

d) Code of conduct

The Board has approved a code of conduct for the board members and the senior management personnel of the company. The code of conduct is posted on the website of the company. All directors and senior management personnel have affirmed compliance with the code of conduct and submitted declarations in this behalf for the year ended March 31, 2009. A declaration signed by the Managing Director to this effect is enclosed.



III. Audit Committee

a) Composition, Names of Members and Chairman

The Board has constituted an audit committee in accordance with section 292A of the Companies Act, 1956 and clause 49 of the listing agreement. The composition of the audit committee is given below.

| Name | Category | Position in the audit committee |
|----------------------|-----------------------------|---------------------------------|
| Sri A. Hari Prasad | Independent & Non Executive | Chairman |
| Sri D. Ranga Raju | Independent & Non Executive | Member |
| Dr. S. Ramnarayan | Independent & Non Executive | Member |
| Sri S. Koteswara Rao | Promoter & Executive | Member |

Sri A. Hari Prasad, B.Com, M.A. (Economics), CAIIB, DBM with over 31 years of experience in banking industry is the Chairman of the Audit Committee. The other members of the audit committee are professionals having experience in business administration and corporate management.

b) Terms of Reference

The terms of reference of audit committee includes the matters specified in Section 292A of the Companies Act, 1956 as well as clause 49 of the listing agreement with the Stock Exchanges. The brief description of the terms of reference are:

- i) Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii) Recommending the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- iii) Approval of payment to statutory auditors for any other services rendered by them.
- iv) Reviewing with the management the annual financial statement before submission to the Board.
- v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi) Reviewing with the management the performance of statutory and internal auditors the adequacy of internal control systems.
- vii) Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- viii) Discussion with internal auditors any significant findings and follow up there on.



- ix) Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularities or a failure of internal control system of a material nature and reporting the matter to the Board.
- x) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders if any, share holders (in case of non payment of declared dividends) and creditors.
- xii) To review the function of Whistle Blower mechanism, in case the same is existing.
- xiii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

c) Meeting and Attendance during the year

During the year under review, four meetings of the Audit Committee were held on the followings dates: May 26, 2008; July 31, 2008; October 31, 2008 and January 31, 2009. The attendance of each of the members of the Committee is given below:

| Name | No. of meetings attended |
|----------------------|--------------------------|
| Sri A. Hari Prasad | 3 |
| Sri D. Ranga Raju | 4 |
| Dr. S. Ramnarayan | 4 |
| Sri S. Koteswara Rao | 4 |

The General Manager (Finance) and the Statutory Auditors also attend the meetings. The Company Secretary acts as the Secretary of the audit committee. The mandatory information required under clause 49 (II) (E) of the listing agreement is placed before the audit committee for its review.

IV. Remuneration Committee

The Board has constituted a remuneration committee in terms of Schedule XIII of the Companies Act, 1956 read with clause 49 of the listing agreement. The committee comprises of Dr. S. Ramnarayan, Sri D. Ranga Raju and Sri A. Hari Prasad, all non-executive independent directors. Dr. S. Ramnarayan is the Chairman of the Remuneration Committee. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the remuneration including perquisites, allowances and commission to be paid to the company's whole-time-director's. During the year under review no meeting of the remuneration committee was held.

Remuneration policy: The company while deciding the remuneration package takes into consideration the financial position of the company, trend in the industry, appointee qualification, experience, past performance etc.

The remuneration of Managing Director and Executive Director was fixed by the Board and approved by the shareholders at the Annual General Meeting held on July 29, 2005.



Bhagiradha Chemicals & Industries Limited

The period of appointment of the above director's is for 5 years beginning 01-03-2005. There is no notice period or severance fee prescribed. The company does not have any stock option plan or performance incentives. The Remuneration Committee and the Board of Directors at their meetings held on April 27, 2009 approved an increase in the monthly salary of the Managing Director and Executive Director for the period 01-02-2009 to 28-02-2010.

The non executive directors are not paid any remuneration except sitting fees for attending the Board/Committee meetings.

The details of the remuneration paid/payable to the directors for the year 2008-2009 is given below:

(Rs. in lakhs)

| Name of the Director | Salary | Perquisites | Commission* | Sitting Fees | Total |
|---------------------------|--------|-------------|-------------|--------------|-------|
| Sri S. Koteswara Rao | 15.20 | 1.76 | 11.16 | – | 28.12 |
| Sri D. Sadasivudu | 8.80 | 0.66 | 11.16 | – | 20.62 |
| Sri D. Ranga Raju | – | – | – | 0.19 | 0.19 |
| Sri G. Satyanarayana Raju | – | – | – | 0.02 | 0.02 |
| Sri K.S. Raju | – | – | – | 0.13 | 0.13 |
| Sri A. Hari Prasad | – | – | – | 0.16 | 0.16 |
| Dr. S. Ramnarayan | – | – | – | 0.18 | 0.18 |
| Sri Sudhakar Kudva | – | – | – | 0.11 | 0.11 |

* Payable in the year 2008-09.

The number of shares held by the directors as on 31-03-2009 is given below.

| Name of the Director | No. of shares held |
|----------------------|--------------------|
| Sri S. Koteswara Rao | 684100 |
| Sri D. Sadasivudu | 79200 |
| Sri D. Ranga Raju | Nil |
| Sri K.S. Raju | Nil |
| Sri A. Hari Prasad | Nil |
| Dr. S. Ramnarayan | Nil |
| Sri Sudhakar Kudva | Nil |

V. Share Transfer & Investor's Grievance Committee

The Board at its meeting held on January 31, 2009 reconstituted the Share Transfer & Investor Grievance Committee with Sri D. Ranga Raju, Sri S. Koteswara Rao and Sri D Sadasivudu as members. The Chairman of the Committee is Sri D. Ranga Raju who is a non-executive independent director.



The committee inter alia looks into transfer, transmission, split, duplicate, remat and consolidation of shares. The committee also monitors redressal of complaints from the shareholders relating to transfer of shares, non-receipt of annual report, dividend etc. The committee met once during the year 2008-09. Attendance at the committee meetings is given below:

| Name | No. of meetings attended |
|-----------------------------|--------------------------|
| Sri D. Ranga Raju | 1 |
| Sri S. Koteswara Rao | 1 |
| Sri G. Satyanarayana Raju # | – |
| Sri D Sadasivudu* | – |

Ceased to be member w.e.f. 30-11-2008; *Appointed as member w.e.f. 31-01-2009

Ms. Mary Monica Braganza, Company Secretary is the Compliance Officer. The company has received 20 investor complaints during the year 2008-2009. Two complaints were pending as on March 31, 2009 which have since been resolved. There were no share transfers pending as on March 31, 2009.

VI. General Body Meeting

Location & time of last three Annual General Meetings

| Date | Time | Venue | No.of Special Resolutions Passed |
|------------|-----------|---------------------------------------|----------------------------------|
| 31-07-2008 | 10.30 A.M | Hotel Green Park, Ameerpet, Hyderabad | None |
| 30-07-2007 | 10.30 A.M | Hotel Green Park, Ameerpet, Hyderabad | None |
| 31-07-2006 | 10.30 A.M | Hotel Green Park, Ameerpet, Hyderabad | None |

There were no Extraordinary General Meetings in the last three years and no resolution was put through postal ballot. There are no special resolutions proposed to be passed by postal ballot this year.

VII. Disclosures

- There have been no materially significant related party transactions, that may have potential conflict with the interest of the company.
- The company has paid a penalty of Rs. 25000/- to SEBI for delay in uploading the quarterly financial results & shareholding pattern during the financial year 2004-2005.

During the year 2008-09 there has been no instances of non-compliance or penalty, strictures imposed on the company by the stock exchanges, SEBI or any other statutory authority on any matter relating to the capital markets.

- In terms of SEBI (Prohibition of Insider Trading) Regulations, 1992, the company has framed code of conduct for dealing in the securities of the company for observance by its directors, designated employees and their dependent relatives.



- iv) There is no specific whistle blower policy for the company. We further affirm that during the year 2008-09, no personnel have been denied access to the audit committee.
- v) The compliance with the non-mandatory requirements are detailed below:
 - The Board has a non-executive Chairman. Except for the Chairman and the promoter directors, the tenure of all other directors with the company has not exceeded nine years.
 - The company has constituted a remuneration committee on 26-12-2005, to determine and recommend to the Board the remuneration package of the executive directors. The remuneration committee comprises of three members, all of them being independent non-executive directors. The Chairman of the committee is an independent non-executive director.
 - The company does not send any half-yearly declaration of financial performance to the shareholders.
 - The non-executive directors inducted on the Board are given an overview of the company's operations to familiarize them with the operations. A statement on business risks and mitigation strategy is regularly placed before the Board for its review.
 - The company does not have any peer group for evaluating the performance of the non-executive directors.
 - The company has yet to establish a whistle blower policy.

Other Disclosures

(a) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the company and its directors that may have potential conflict with the interest of the company.

Transactions with related parties are disclosed in Note 7 of Schedule 16 to the financial statements in the annual report.

The related party transactions as required under clause 49(IV)(A) of the listing agreement is placed before the audit committee.

(b) Disclosure of Accounting Treatment

The financial statements are prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India.

(c) Board Disclosures - Risk Management

A statement of the management's perception of business risk and minimization procedure is periodically placed before the Board for its review.



(d) Proceeds from public issue, rights issue, preferential issue etc.

During the year under review, the company has not raised any money through a public, rights or preferential issues.

VIII. Means of Communication

As per clause 41 of the listing agreement, quarterly financial results are published within the time frame prescribed in this regard. The names of the newspapers wherein results, notices and other communication are normally published are:

English - Business Standard/Financial Express/Financial Chronicle
Telugu - Andhra Bhoomi/Andhra Jyothi/Andhra Prabha

The results are not posted on the company's website. As required under clause 51 of the listing agreement, the company uploads the quarterly results, shareholding pattern and annual report on SEBI's website under Electronic Data Information and Filing Retrieval (EDIFAR).

There were no presentations made to the Institutional Investors or Analysts during the year 2008-2009.

IX. General Shareholder information

- i. Sixteenth Annual General Meeting
 - Date : July 31, 2009
 - Time : 3.00 P.M.
 - Venue : Hotel Green Park, Greenlands, Ameerpet, Hyderabad - 500 016
- ii. Financial Year : April to March
- iii. Date of book closure : 25-07-2009 to 31-07-2009
- iv. Dividend 2008-2009 : Proposed final dividend 20%
 - Dividend Payment : Within 30 days from 31-07-2009
- v. Listing on Stock Exchanges : The Bombay Stock Exchange Ltd
The Hyderabad Stock Exchange Ltd
The Hyderabad Stock Exchange has been derecognized by SEBI on 29-08-2007.
- vi. Stock Code : BSE - 531719
HSE - BGC 191
- vii. Demat ISIN Number : INE 414D01019

**viii. Market price data**

The monthly high and low price quotations of the company's shares at the Bombay Stock Exchange Limited is given below:

| Month | High (Rs) | Low (Rs) |
|----------------|--------------|-------------|
| April 2008 | 69.00 | 50.85 |
| May 2008 | 65.00 | 54.25 |
| June 2008 | 59.70 | 44.10 |
| July 2008 | 51.00 | 40.00 |
| August 2008 | 74.30 | 48.15 |
| September 2008 | 62.00 | 46.10 |
| October 2008 | 49.95 | 33.30 |
| November 2008 | 40.45 | 30.45 |
| December 2008 | 38.00 | 28.00 |
| January 2009 | 37.00 | 30.20 |
| February 2009 | 34.25 | 27.05 |
| March 2009 | 30.00 | 23.80 |

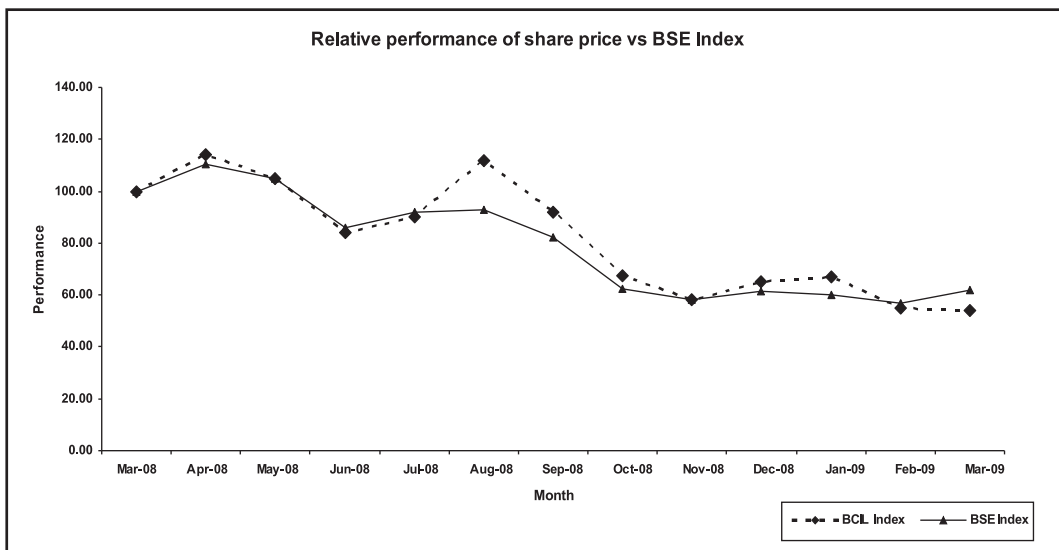
Source: www.bseindia.com

ix. Performance in comparison to BSE Sensex

Share price movement of the company and BSE Sensex for the period April'2008 to March' 2009 is given below:

| Month | BCIL Close Price on BSE | BSE Sensex Close Price | Relative index for comparison purpose | |
|----------------|----------------------------|---------------------------|--|------------|
| | | | BCIL | BSE Sensex |
| April 2008 | 52.45 | 15644.44 | 100.00 | 100.00 |
| May 2008 | 59.95 | 17287.31 | 114.30 | 110.50 |
| June 2008 | 55.05 | 16415.57 | 104.96 | 104.93 |
| July 2008 | 44.10 | 13461.60 | 84.08 | 86.05 |
| August 2008 | 47.15 | 14355.75 | 89.90 | 91.76 |
| September 2008 | 58.75 | 14564.53 | 112.01 | 93.10 |
| October 2008 | 48.20 | 12860.43 | 91.90 | 82.20 |
| November 2008 | 35.40 | 9788.06 | 67.49 | 62.57 |
| December 2008 | 30.45 | 9092.72 | 58.06 | 58.12 |
| January 2009 | 34.20 | 9647.31 | 65.20 | 61.67 |
| February 2009 | 35.10 | 9424.24 | 66.92 | 60.24 |
| March 2009 | 28.85 | 8891.61 | 55.00 | 56.84 |

Source: www.bseindia.com



x. Registrars & Transfer Agents

XL Softech Systems Limited
 Plot No. 3, Sagar Society,
 Road No. 2, Banjara Hills, Hyderabad - 500 034
 Phone: 040- 23545913/5, Fax : 040 - 23553214
 E-mail : xlfield@rediffmail.com

xi. Share Transfer System

All matters pertaining to the share transfers and related activities are handled by the Registrars and Share Transfer Agents M/s XL Softech Systems Limited, Hyderabad. The share transfer request received are processed by them and a transfer register is sent to the company for approval once in a fortnight. There were no share transfers pending as on March 31, 2009.

xii. Distribution of shareholding as on 31st March, 2009*

| Shareholding | No. of Shareholders | % | No. of Shares | % |
|---------------|---------------------|---------------|----------------|---------------|
| upto 500 | 2509 | 82.13 | 373041 | 7.38 |
| 501 - 1000 | 246 | 8.05 | 206088 | 4.08 |
| 1001 - 2000 | 130 | 4.25 | 197842 | 3.91 |
| 2001 - 3000 | 54 | 1.77 | 138639 | 2.74 |
| 3001 - 4000 | 28 | 0.92 | 96985 | 1.92 |
| 4001 - 5000 | 21 | 0.69 | 97323 | 1.93 |
| 5001 - 10000 | 37 | 1.21 | 289617 | 5.73 |
| Above 10000 | 30 | 0.98 | 3654165 | 72.31 |
| Total | 3055 | 100.00 | 5053700 | 100.00 |
| Physical Mode | 107 | 3.50 | 519111 | 10.27 |
| Demat Mode | 2948 | 96.50 | 4534589 | 89.73 |
| Total | 3055 | 100.00 | 5053700 | 100.00 |

* 49100 shares have been forfeited, hence not included in the total shareholding.



xiii. Shareholding Pattern as on 31st March, 2009

| Sl.No | Category | No. of shares | % |
|-------|---------------------------------|---------------|--------|
| A | Promoter's holding | 1239836 | 24.53 |
| | Non-Promoter holding | | |
| 1. | Foreign Institutional Investors | 45325 | 0.90 |
| 2. | Private Corporate Bodies | 2343970 | 46.38 |
| 3. | Indian Public | 1370064 | 27.11 |
| 4. | Non Resident Indians | 50845 | 1.01 |
| 5. | Clearing Members | 3660 | 0.07 |
| | Total | 5053700 | 100.00 |

*49100 shares have been forfeited, hence not included in the total shareholding.

xiv. Dematerialization of shares and liquidity

Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI. Dematerialization of shares are done through XL Softech Systems Limited, Hyderabad and on an average the dematerialization process is completed within a period of 21 days from receipt of a valid demat request alongwith all documents.

xv. CIN Number

The Corporate Identity Number (CIN) of the company, as allotted by Ministry of Company Affairs is L24219AP1993PLC015963

xvi. Plant location

: Cheruvukommupalem (Village)
Ongole (Mandal)
Prakasam (District)
Andhra Pradesh

xvii. Address for correspondence

: Bhagiradha Chemicals & Industries Limited
8-2-269/S/3/A,
Sagar Society, Road No. 2
Banjara Hills, Hyderabad - 500 034
Tel. (040) 23608083
Fax (040) 23540444
Email : info@bhagirad.com

xviii. Investor Grievance E-mail

: monica@bhagirad.com

For and on behalf of the Board

Place : Hyderabad
Date : 27.06.2009

D. Ranga Raju
Chairman



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To
The Shareholders

I hereby declare that all the board members and senior management personnel have affirmed compliance with the code of conduct adopted by the company and have submitted declarations in this behalf for the year ended 31st March, 2009.

Place : Hyderabad
Date : 27.06.2009

S. Koteswara Rao
Managing Director

MANAGING DIRECTOR AND GENERAL MANAGER FINANCE CERTIFICATION

We, S. Koteswara Rao, Managing Director and V. Lakshmi Narayana, General Manager (Finance) of Bhagiradha Chemicals & Industries Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year under review and certify that:
 - i. these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that
 - i. there are no significant changes in internal control over financial reporting during the year
 - ii. there are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - iii. there are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal controls system.

S. Koteswara Rao
Managing Director

V. Lakshmi Narayana
General Manager (Finance)

Place : Hyderabad
Date : 27.06.2009



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The members of
BHAGIRADHA CHEMICALS & INDUSTRIES LTD.

We have examined the compliance of the conditions of Corporate Governance by Bhagiradha Chemicals & Industries Limited for the year ended 31st March, 2009 as stipulated in clause 49 of Listing Agreements of the said company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the company's management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that no investor's grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for R. Kankaria & Uttam Singhi
Chartered Accountants

Place : Hyderabad
Date : 27.06.2009

Rajendra Kankaria
Partner



AUDITORS' REPORT

To the members of

BHAGIRADHA CHEMICALS & INDUSTRIES LTD.

1. We have audited the attached Balance Sheet of M/s. Bhagiradha Chemicals & Industries Limited, as at 31st March, 2009 and also the Profit & Loss account for the year ended on that date and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (read with Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



Bhagiradha Chemicals & Industries Limited

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in the case of the Balance Sheet of the state of affairs of the company as at 31st March, 2009.
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date and
 - (c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

for R. Kankaria & Uttam Singhi
Chartered Accountants

Place : Hyderabad
Date : 27.06.2009

Rajendra Kankaria
Partner
Membership No. 22051



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but, according to the information and explanations given to us, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) During the year, the company has not disposed off substantial part of the fixed assets.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- iii) In our opinion, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted/taken any loans, secured or unsecured, to/from parties listed in the registers maintained under Section 301 of the Companies Act, 1956 clauses iii(b), iii(c) and iii(d) of paragraph 4 of the Order, are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses has been noticed in these internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of Companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



Bhagiradha Chemicals & Industries Limited

- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act.
- ix) (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues, including Provident Fund, E.S.I, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it during the year.
- (b) According to the information & explanations given to us, there is no dues in respect of sales tax, income tax, customs duty, excise duty, cess as on 31st March, 2009 except as stated below:

| Name of the Statute | Nature of dues | Amount (Rs.) | Forum where dispute is pending |
|----------------------|--|--------------|---|
| Income Tax Act, 1961 | Income tax demand on assessment (Asst. Year 2005-06) | 1,896,442 | Appeal pending with ITAT |
| Income Tax Act, 1961 | Income tax demand on assessment (Asst. Year 2006-07) | 6,788,943 | Consequential order to be passed by Assessing Officer |

- x) The company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year or in the immediately preceding financial year.
- xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.



- xiv) The company is not dealing or trading in shares, securities, debentures or other investments and hence the requirement of para 4(xiv) is not applicable to the company.
- xv) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained, other than temporary deployment pending application.
- xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa other than temporary deployment pending application.
- xviii) The company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- xix) According to the information and explanations given to us the company has not issued any debentures.
- xx) The company has not raised any money through public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

for R. Kankaria & Uttam Singhi
Chartered Accountants

Rajendra Kankaria
Partner

Membership No. 22051

Place : Hyderabad

Date : 27.06.2009



Bhagiradha Chemicals & Industries Limited

BALANCE SHEET AS AT 31ST MARCH, 2009

| PARTICULARS | SCH- DULE | AS AT 31.03.2009 (Rs.) | AS AT 31.03.2008 (Rs.) |
|---|--------------|------------------------------|------------------------------|
| I. SOURCES OF FUNDS | | | |
| 1. SHAREHOLDERS FUNDS | | | |
| Share Capital | 1 | 50,782,500 | 50,782,500 |
| Reserves & Surplus | 2 | <u>388,843,906</u> | <u>311,817,757</u> |
| | | 439,626,406 | 362,600,257 |
| 2. LOAN FUNDS | | | |
| Secured Loans | 3 | 172,771,997 | 187,814,263 |
| Unsecured Loans | 4 | <u>37,417,342</u> | <u>37,246,072</u> |
| | | 210,189,339 | 225,060,335 |
| 3. DEFERRED TAX LIABILITY (NET) | 9 | <u>44,460,242</u> | <u>43,668,785</u> |
| TOTAL | | <u>694,275,987</u> | <u>631,329,377</u> |
| II. APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | | | |
| Gross Block | 5 | 528,842,212 | 398,783,952 |
| Less: Depreciation | | <u>144,796,041</u> | <u>121,518,466</u> |
| Net Block | | 384,046,171 | 277,265,486 |
| Capital Work in Progress | 6 | <u>—</u> | <u>34,330,016</u> |
| | | 384,046,171 | 311,595,502 |
| 2. CURRENT ASSETS, LOANS & ADVANCES | | | |
| Interest Accrued | 7 | 399,281 | 349,404 |
| Inventories | | 94,326,565 | 107,860,546 |
| Sundry Receivables | | 287,236,903 | 229,052,597 |
| Cash & Bank Balances | | 7,755,572 | 12,194,399 |
| Loans & Advances | | <u>83,819,087</u> | <u>102,063,728</u> |
| | | 473,537,408 | 451,520,674 |
| 3. LESS: CURRENT LIABILITIES & PROVISIONS | | | |
| NET CURRENT ASSETS | 8 | <u>163,307,592</u> | <u>131,786,799</u> |
| TOTAL | | <u>310,229,816</u> | <u>319,733,875</u> |
| TOTAL | | | |
| DISCLOSURE OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | 16 | <u>694,275,987</u> | <u>631,329,377</u> |

As per our attached report of even date

For R. Kankaria & Uttam Singhi
Chartered Accountants

Rajendra Kankaria
Partner

Place : Hyderabad
Date : 27.06.2009

For and on behalf of the Board

D. Ranga Raju
Chairman

V. Lakshmi Narayana
General Manager (Finance)

S. Koteswara Rao
Managing Director

Mary Monica Braganza
Company Secretary


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

| PARTICULARS | SCHE- DULE | FOR THE YEAR ENDED 31.03.2009 (Rs.) | FOR THE YEAR ENDED 31.03.2008 (Rs.) |
|---|---------------|--|--|
| I. INCOME | | | |
| Sales Revenue | 10 | 1,011,100,733 | 817,130,583 |
| Other Income | 11 | 35,814,224 | 25,007,116 |
| | | <u>1,046,914,957</u> | <u>842,137,699</u> |
| II. EXPENDITURE | | | |
| Manufacturing Expenses | 12 | 799,179,021 | 653,621,059 |
| Administration, Selling and Other Expenses | 13 | 105,429,435 | 90,655,756 |
| (Increase)/Decrease in Stocks | 14 | (10,196,567) | (14,550,602) |
| Finance Charges | 15 | 15,575,109 | 14,101,373 |
| Depreciation | 5 | 27,836,312 | 23,990,773 |
| | | <u>937,823,310</u> | <u>767,818,359</u> |
| PROFIT BEFORE TAX | | 109,091,647 | 74,319,340 |
| Less: Provision For: | | | |
| - Current Income Tax | | 12,360,084 | 8,422,720 |
| - Previous Year Income Tax | | 893,420 | - |
| - Fringe Benefit Tax | | 282,807 | 349,499 |
| - Deferred Tax | | 791,457 | 99,141 |
| | | <u>94,763,879</u> | <u>65,447,980</u> |
| PROFIT AFTER TAX | | 94,763,879 | 65,447,980 |
| Balance brought forward from previous year | | 246,543,898 | 210,877,359 |
| Available for Appropriation | | <u>341,307,777</u> | <u>276,325,339</u> |
| - Interim Dividend | | 5,053,700 | - |
| - Final Dividend | | 10,107,400 | 12,634,250 |
| - Corporate Tax on Dividend | | 2,576,630 | 2,147,191 |
| - Transfer to General Reserve | | 15,000,000 | 15,000,000 |
| - Balance Carried to Balance Sheet | | <u>308,570,047</u> | <u>246,543,898</u> |
| | | <u>341,307,777</u> | <u>276,543,898</u> |
| Earnings Per Share | | 18.75 | 12.95 |
| DISCLOSURE OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | 16 | | |

As per our attached report of even date

For R. Kankaria & Uttam Singhi
Chartered AccountantsRajendra Kankaria
PartnerPlace : Hyderabad
Date : 27.06.2009

For and on behalf of the Board

D. Ranga Raju
ChairmanV. Lakshmi Narayana
General Manager (Finance)S. Koteswara Rao
Managing DirectorMary Monica Braganza
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

| PARTICULARS | FOR THE YEAR ENDED 31.03.2009 (Rs.) | FOR THE YEAR ENDED 31.03.2008 (Rs.) |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit Before Tax | 109,091,647 | 74,319,340 |
| Adjustments for : | | |
| Depreciation | 27,836,312 | 23,990,773 |
| Discarded Assets/Loss on sale of Assets | 4,706,645 | 1,287,622 |
| Interest Expenses | 13,697,684 | 13,046,516 |
| Interest Income | (567,821) | (529,221) |
| Operating Profit Before Working Capital Changes | 154,764,467 | 112,115,030 |
| Adjustments for : | | |
| Sundry Debtors | (58,184,306) | (86,610,124) |
| Inventories | 13,533,981 | (72,099,130) |
| Loans and Advances | 18,244,641 | 6,899,172 |
| Trade Payables & Provisions | 33,630,903 | 28,188,117 |
| | 7,225,219 | (123,621,965) |
| Cash Generated from Operations | 161,989,686 | (11,506,935) |
| Income Tax | (12,623,034) | (17,293,043) |
| Fringe benefit tax paid | (166,853) | (349,499) |
| Net Cash Flow from Operating Activities | 149,199,799 | (29,149,477) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (104,993,626) | (57,421,453) |
| Interest Received | 617,698 | 447,568 |
| Sale of Fixed Assets | - | 342,890 |
| Net Cash used in Investing Activities | (104,375,928) | (56,630,995) |



| PARTICULARS | FOR THE YEAR ENDED 31.03.2009 (Rs.) | FOR THE YEAR ENDED 31.03.2008 (Rs.) |
|--|--|--|
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Long Term Borrowings | - | - |
| Repayments of Long Term Borrowings | (13,552,398) | (29,650,000) |
| Proceeds from Bank Borrowings For Working Capital | (1,489,868) | 117,589,774 |
| Proceeds from Sales Tax Loan | 171,270 | 1,748,986 |
| Interest Paid | (13,697,684) | (13,046,516) |
| Dividend Paid | (17,687,950) | (12,634,250) |
| Corporate Dividend Tax Paid | (3,006,068) | (2,147,191) |
| Net Cash used in Financing Activities | (49,262,698) | 61,860,803 |
| Net Increase /(Decrease) in Cash and Cash Equivalents | (4,438,827) | (23,919,669) |
| Cash and Cash equivalents as at the beginning of the period | 12,194,399 | 36,114,068 |
| Cash and Cash equivalents as at the end of the period | 7,755,572 | 12,194,399 |

As per our attached report of even date

For R. Kankaria & Uttam Singhi
Chartered Accountants

Rajendra Kankaria
Partner

Place : Hyderabad
Date : 27.06.2009

For and on behalf of the Board

D. Ranga Raju
Chairman

V. Lakshmi Narayana
General Manager (Finance)

S. Koteswara Rao
Managing Director

Mary Monica Braganza
Company Secretary



Bhagiradha Chemicals & Industries Limited

| | AS AT 31.03.2009 (Rs.) | AS AT 31.03.2008 (Rs.) |
|--|------------------------------|------------------------------|
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 6,000,000 equity shares of Rs.10/- each | <u>60,000,000</u> | <u>60,000,000</u> |
| ISSUED AND SUBSCRIBED | | |
| 5,102,800 equity shares of Rs.10/- each | <u>51,028,000</u> | <u>51,028,000</u> |
| PAID UP | | |
| 5,053,700 equity shares of Rs.10/- each | 50,537,000 | 50,537,000 |
| Add: Shares forfeited | <u>245,500</u> | <u>245,500</u> |
| | <u>50,782,500</u> | <u>50,782,500</u> |
| TOTAL | <u>50,782,500</u> | <u>50,782,500</u> |

SCHEDULE - 2

RESERVES AND SURPLUS

| | | |
|--|--------------------|--------------------|
| A. GENERAL RESERVE | | |
| Opening Balance | 63,273,859 | 48,273,859 |
| Add: AP State Subsidy | 2,000,000 | — |
| Add: Transfer from Profit & Loss Account | <u>15,000,000</u> | <u>15,000,000</u> |
| | <u>80,273,859</u> | <u>63,273,859</u> |
| B. PROFIT & LOSS ACCOUNT (Balance as per annexed account) | | |
| | 308,570,047 | 246,543,898 |
| C. AP STATE SUBSIDY | | |
| | — | 2,000,000 |
| TOTAL | <u>388,843,906</u> | <u>311,817,757</u> |



| | AS AT 31.03.2009 (Rs.) | AS AT 31.03.2008 (Rs.) |
|---|------------------------------|------------------------------|
| SCHEDULE - 3 | | |
| SECURED LOANS | | |
| Term Loan | – | 13,552,398 |
| Working Capital Loan From Banks | 172,771,997 | 174,261,865 |
| TOTAL | <u>172,771,997</u> | <u>187,814,263</u> |
| SCHEDULE -4 | | |
| UNSECURED LOANS | | |
| Deferred Sales Tax under AP State Incentive Scheme | 37,417,342 | 37,246,072 |
| TOTAL | <u>37,417,342</u> | <u>37,246,072</u> |



Bhagiradha Chemicals & Industries Limited

SCHEDULE – 5 FIXED ASSETS

(in Rupees)

| SL. DESCRIPTION NO. | GROSS BLOCK | | DEPRECIATION | | | NET BLOCK | |
|----------------------------------|--------------------|--------------------|--------------------|------------------|-------------------|--------------------|--------------------|
| | AS AT 31.3.2008 | ADDITIONS | UP TO 31.3.2008 | DELETIONS | FOR THE YEAR | AS AT 31.3.2009 | AS AT 31.3.2008 |
| | | DELETIONS | | | | | |
| 1. Land & Site Development | 21,824,141 | - | - | - | - | 21,824,141 | 21,824,141 |
| 2. Factory Buildings | 57,159,629 | 39,927,089 | 11,499,754 | 1,342,182 | 2,111,052 | 81,291,172 | 45,659,875 |
| 3. Plant & Machinery | 273,540,026 | 85,586,953 | 89,684,361 | 3,216,555 | 22,024,447 | 244,896,266 | 183,855,665 |
| 4. Electrical Installations | 30,911,781 | 12,481,350 | 11,681,913 | - | 2,271,362 | 29,439,856 | 19,229,868 |
| 5. Technical Know-how | 4,070,000 | - | 2,596,660 | - | 214,896 | 1,258,444 | 1,473,340 |
| 6. Furniture & Fixtures | 2,115,670 | 54,660 | 851,817 | - | 134,302 | 1,184,211 | 1,263,853 |
| 7. Office Equipment | 1,818,109 | 178,650 | 1,346,971 | - | 173,035 | 476,753 | 471,138 |
| 8. Computers | 2,399,363 | 154,940 | 1,677,664 | - | 290,809 | 585,830 | 721,699 |
| 9. Vehicles | 4,945,233 | 940,000 | 2,179,326 | - | 616,409 | 3,089,498 | 2,765,907 |
| TOTAL | 398,783,952 | 139,323,642 | 121,518,466 | 4,558,737 | 27,836,312 | 384,046,171 | 277,265,486 |
| PREVIOUS YEAR FIGURES | 372,308,121 | 29,256,319 | 98,677,669 | 1,149,976 | 23,990,773 | 277,265,486 | 273,630,452 |



| | AS AT 31.03.2009 (Rs.) | AS AT 31.03.2008 (Rs.) |
|--|------------------------------|------------------------------|
| SCHEDULE - 6 | | |
| CAPITAL WORK IN PROGRESS | | |
| Civil Work in Progress | - | 22,315,971 |
| Advances towards Capital Goods | - | 12,014,045 |
| TOTAL | - | 34,330,016 |
| SCHEDULE - 7 | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| CURRENT ASSETS | | |
| Interest Accrued | 399,281 | 349,404 |
| INVENTORIES (As valued and certified by the Management) | | |
| Raw Materials | 38,966,674 | 27,037,377 |
| Raw Materials in Warehouse | 6,800,000 | 51,271,365 |
| Raw Material in Transit | 1,700,000 | - |
| Coal & Fuel | 6,159,290 | 1,585,388 |
| Stores Spares & Consumables | 3,262,080 | 1,245,474 |
| Packing Materials | 1,158,885 | 637,873 |
| Work in Process | 17,040,886 | 11,793,069 |
| Finished Goods | 19,238,750 | 14,290,000 |
| | 94,326,565 | 107,860,546 |
| SUNDRY RECEIVABLES (UNSECURED) | | |
| Debts Outstanding for a Period of Exceeding Six Months | | |
| - Considered Good | 477,151 | 12,715,388 |
| - Considered Doubtful | - | - |
| Other Debts | 286,759,752 | 216,337,209 |
| | 287,236,903 | 229,052,597 |
| CASH & BANK BALANCES | | |
| Cash on hand | 162,509 | 109,356 |
| Balances with Scheduled Banks | | |
| - In Current Accounts | 2,145,499 | 8,077,421 |
| - In EEFC Account | 1,373,859 | - |
| - In Unpaid Dividend Accounts | 580,955 | 348,872 |
| - In Margin Money | 3,492,750 | 3,658,750 |
| | 7,755,572 | 12,194,399 |



Bhagiradha Chemicals & Industries Limited

| | AS AT 31.03.2009 (Rs.) | AS AT 31.03.2008 (Rs.) |
|---|------------------------------|------------------------------|
| LOANS & ADVANCES | | |
| (Unsecured, considered good & recoverable in cash or kind or for value to be received) | | |
| Advances to suppliers & others | 8,771,311 | 6,200,911 |
| Advances for Land | 3,341,250 | 3,341,250 |
| Prepaid Expenses | 866,389 | 698,076 |
| Deposits with Govt, Semi-Govt Depts. | 5,880,947 | 5,419,558 |
| Other Deposits | 246,600 | 441,896 |
| CENVAT Credit Receivable | 31,717,265 | 31,408,059 |
| Export Incentive Receivable | 16,525,124 | 9,672,752 |
| VAT Receivable | 5,841,144 | 34,252,169 |
| Draw Back Receivable | 10,629,057 | 10,629,057 |
| | <u>83,819,087</u> | <u>102,063,728</u> |
| TOTAL | <u>473,537,408</u> | <u>451,520,674</u> |

SCHEDULE - 8

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

| | | |
|---------------------------|--------------------|--------------------|
| - For Raw Materials | 115,808,518 | 88,841,028 |
| - For Capital Account | 7,267,218 | 6,310,616 |
| - For Expenses and Others | 20,051,765 | 12,483,266 |
| | <u>143,127,501</u> | <u>107,634,910</u> |

PROVISIONS

| | | |
|------------------------------|-------------------|-------------------|
| - For Expenses | 6,768,306 | 5,792,643 |
| - For Income Tax | 1,470,678 | 3,577,805 |
| - For Fringe Benefit Tax | 115,954 | - |
| - For Proposed Dividend | 10,107,400 | 12,634,250 |
| - For Corporate Dividend Tax | 1,717,753 | 2,147,191 |
| | <u>20,180,091</u> | <u>24,151,889</u> |

| | | |
|--------------|--------------------|--------------------|
| TOTAL | <u>163,307,592</u> | <u>131,786,799</u> |
|--------------|--------------------|--------------------|

SCHEDULE - 9

DEFERRED TAX LIABILITY

| | | |
|-----------------|-------------------|-------------------|
| Opening Balance | 43,668,785 | 43,569,644 |
| Current Year | 791,457 | 99,141 |
| TOTAL | <u>44,460,242</u> | <u>43,668,785</u> |



| | FOR THE YEAR ENDED 31.03.2009 (Rs.) | FOR THE YEAR ENDED 31.03.2008 (Rs.) |
|--------------------------------|--|--|
| SCHEDULE - 10 | | |
| SALES REVENUE | | |
| - Domestic Sales | 267,720,987 | 212,895,551 |
| - Exports | 816,820,574 | 683,796,421 |
| | 1,084,541,561 | 896,691,972 |
| Less: Duties & Taxes | 73,440,828 | 79,561,389 |
| TOTAL | <u>1,011,100,733</u> | <u>817,130,583</u> |
| SCHEDULE - 11 | | |
| OTHER INCOME | | |
| - Export Incentive | 33,119,266 | 22,158,484 |
| - Interest Received | 567,821 | 529,221 |
| - Miscellaneous Income | 2,127,137 | 2,319,411 |
| TOTAL | <u>35,814,224</u> | <u>25,007,116</u> |
| SCHEDULE - 12 | | |
| MANUFACTURING EXPENSES | | |
| CONSUMPTION | | |
| - Raw Materials | 640,658,629 | 516,348,881 |
| - Coal & Fuel | 88,810,965 | 72,718,512 |
| - Stores, Spares & Consumables | 23,812,111 | 21,120,747 |
| - Packing Materials | 17,520,349 | 16,070,121 |
| | 770,802,054 | 626,258,261 |
| REPAIRS & MAINTENANCE | 9,122,313 | 11,633,253 |
| INSURANCE | 1,141,994 | 1,482,021 |
| FIXED ASSETS DISCARDED | 4,706,645 | - |
| OTHER MANUFACTURING EXPENSES | 13,406,015 | 14,247,524 |
| TOTAL | <u>799,179,021</u> | <u>653,621,059</u> |



Bhagiradha Chemicals & Industries Limited

| | FOR THE YEAR ENDED 31.03.2009 (Rs.) | FOR THE YEAR ENDED 31.03.2008 (Rs.) |
|--|--|--|
| SCHEDULE - 13 | | |
| ADMINISTRATIVE SELLING & OTHER EXPENSES | | |
| SALARIES, WAGES AND OTHER BENEFITS | 58,386,566 | 46,247,065 |
| ADMINISTRATIVE, SELLING & OTHER EXPENSES | | |
| R&D Expenses | 5,447,315 | 6,278,231 |
| Rent, Rates & Taxes | 1,148,456 | 1,111,688 |
| Traveling & Conveyance | 1,264,088 | 903,863 |
| Remuneration to Auditors | 509,500 | 396,000 |
| Vehicle Maintenance | 1,543,316 | 1,038,594 |
| Postage & Telegrams | 345,707 | 306,520 |
| Printing & Stationery | 474,440 | 480,125 |
| Telephone Charges | 621,480 | 558,791 |
| Legal & Professional Charges | 2,693,666 | 1,864,725 |
| Other Expenses | 4,394,252 | 3,265,702 |
| Selling & Distribution Expenses | 27,343,312 | 28,204,452 |
| Bad Debts Written Off | 1,257,337 | — |
| | 47,042,869 | 44,408,691 |
| TOTAL | 105,429,435 | 90,655,756 |
| SCHEDULE - 14 | | |
| (INCREASE)/DECREASE IN STOCKS | | |
| OPENING STOCK | | |
| - Finished Goods | 14,290,000 | 1,200,000 |
| - Work in Progress | 11,793,069 | 10,332,467 |
| | 26,083,069 | 11,532,467 |
| LESS: CLOSING STOCK | | |
| - Finished Goods | 19,238,750 | 14,290,000 |
| - Work in Progress | 17,040,886 | 11,793,069 |
| | 36,279,636 | 26,083,069 |
| TOTAL | (10,196,567) | (14,550,602) |
| SCHEDULE - 15 | | |
| FINANCE CHARGES | | |
| Interest on | | |
| - Term loans | 864,142 | 3,217,507 |
| - Working Capital Loans | 12,833,542 | 9,829,009 |
| - Bank Charges | 457,425 | 518,687 |
| - Others | 1,420,000 | 536,170 |
| TOTAL | 15,575,109 | 14,101,373 |



SCHEDULE - 16

DISCLOSURE OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Notes annexed to and forming part of the Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date:

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis unless otherwise stated. The financial statements are prepared under the historical cost convention and comply with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Revenue Recognition

- i) Revenues from the sale of goods are recognized upon passage of title to the customers which generally coincides with their delivery.
- ii) Export incentives are recognized when the right to receive credit as per the terms of incentives is established in respect of the exports made.

c) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

d) Fixed Assets

Fixed Assets are stated at cost of acquisition including any attributable cost for bringing the asset to its working condition for its intended use less Modvat /Cenvat Credit availed and accumulated depreciation.

e) Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss which is the excess of carrying amount over the higher of the assets net selling price or present value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal is charged to the Profit & Loss Account in the respective years.

f) Depreciation

Depreciation on fixed assets has been provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act 1956 on pro rata basis.

In respect of Plant & Machinery of EOU the depreciation is provided on straight line method on triple shift basis at the rates and in the manner specified in schedule XIV to the Companies Act 1956 on pro rata basis.

g) Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction.



Gains and losses resulting from realizations on account of exports and imports in foreign currency remaining unrealized/ unpaid/unsettled at the year-end are recognized in the Profit & Loss Account.

Difference between the forward exchange contract rate and the exchange rate as at the date of settlement is recognized as income/expense and are accounted for in the Profit & Loss Account.

h) Inventory Valuation

Inventories are valued as follows:

| | |
|---------------------------------------|--|
| i) Raw Materials | At average cost |
| ii) Raw Materials at bonded warehouse | At cost |
| iii) Stores Spares & Consumables | At cost |
| iv) Packing Materials | At cost |
| v) Coal & Fuel | At cost |
| vi) Work in process | At raw materials cost |
| vii) Finished Goods | At cost or at net realizable value whichever is lower. |

i) Retirement Benefits

Provident Fund

Contribution to provident fund is made in accordance with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act 1952 and is treated as revenue expenditure.

Gratuity

The gratuity liability in respect of the employees of the company is covered through a policy taken from Life Insurance Corporation of India. The annual contribution towards the premium of the policy paid to LIC is treated as revenue expenditure.

Leave Encashment:

Leave encashment liability is provided on the basis of actuarial valuation at the year end.

j) Research and Development

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate head of account.

k) Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Interest on funds utilized is recognized as revenue expense in the year in which they are incurred.

All other borrowing costs are charged to the revenue account based on their use.

l) Taxation

Income tax expense comprises of current tax and deferred tax. Deferred tax is accounted for the timing differences between the book and tax profits for the year using the current tax rates.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws.



m) Provisions

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which the reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

n) Earnings per Share

The earnings considered in ascertaining the EPS comprises of the net profit after tax. The number of shares used in computing EPS is total number of fully paid shares comprised in the paid up share capital of the company.

II. NOTES ON ACCOUNTS

1. a) Estimated amount of contracts remaining to be executed on capital account and not provided for are valued at (Net of advances) Rs. Nil (Previous Year Rs. 289.41 lakhs)
- b) Contingent liabilities not provided for:

| Particulars | Rs. in lakhs | |
|--|---------------------|---------------------|
| | As at 31.03.2009 | As at 31.03.2008 |
| i) Letters of Credit | 136.68 | 166.28 |
| ii) Export Bills Discounting | 110.19 | 89.26 |
| iii) Bank Guarantees | 23.86 | 3.75 |
| iv) Disputed income tax liability | – | 97.03 |
| v) Foreign currency fluctuation on pending contracts | – | 20.76 |

2. SECURED LOANS

- a) The term loans availed by the company were repaid in full.
- b) The working capital facilities are secured by hypothecation of the current assets of the company and further secured by a second charge on the fixed assets of the company and are personally guaranteed by the Managing Director and Executive Director of the company.

3. SALES TAX DEFERMENT

- a) Government of Andhra Pradesh vide letter No.20/2/6/1369/ID dated 08-10-1996 and letter No.30/1/2002/0300/0300/FD dated 10-04-2002 had sanctioned sales tax deferment for an amount of Rs.91,854,000/- and Rs. 51,450,510/- respectively for a period of 14 years to the company in respect of chlorpyriphos plant.

Based on the sales tax returns the sales tax deferred till 31-03-2009 amounts to Rs. 37,417,342/-



Bhagiradha Chemicals & Industries Limited

4. Sundry Creditors include Rs 22.37 lakhs (Previous year Rs. 13.01 lakhs) pertaining to Micro, Small & Medium Enterprises to the extent such parties have been identified from the available information / documents. The name of the SSI to whom the company owes a sum exceeding Rs.1.00 lakh and outstanding for more than 30 days (but not overdue) as at 31st March, 2009 is Agarwal Packaging Pvt. Limited.

5. SEGMENT REPORTING

There are no separate reportable segments as per Accounting Standard 17, as the entire operations of the company relate to one segment, viz. Agrochemicals.

6. EOU UNIT

The company has commenced the manufacture of an additional product Clodinafop from 15th January, 2009.

7. RELATED PARTY TRANSACTIONS

Disclosure in respect of related parties as defined in Accounting Standard 18 with whom transactions have taken place during the year are given below:

- a) List of Related Parties:

- i) Key Management Personnel

- Sri S. Koteswara Rao, Managing Director
- Sri D. Sadasivudu, Executive Director

- b) Transactions with related parties:

| Particulars | As at 31.03.2009 (Rs.) | As at 31.03.2008 (Rs.) |
|----------------------------|------------------------------|------------------------------|
| i) Managerial remuneration | | |
| Managing Director | 2,811,647 | 2,074,136 |
| Executive Director | 2,062,441 | 1,539,615 |

8. EARNINGS PER SHARE

Earning per share is calculated by dividing the profit attributable to the equity share holders by the weighted average number of equity shares outstanding during the year. The basic and diluted EPS per equity share is given hereunder:

| Particulars | As at 31.03.2009 (Rs.) | As at 31.03.2008 (Rs.) |
|---|------------------------------|------------------------------|
| Profit after tax | 94,763,879 | 65,447,980 |
| Weighted average no. of shares | 5,053,700 | 5,053,700 |
| Earning per share (basic and diluted) of Rs.10/- each | 18.75 | 12.95 |



9. The company has provided deferred tax liability of Rs.791,457/- for the current year (Previous year net deferred tax liability Rs. 99,141/-) as per the Accounting Standard 22. Break up of deferred tax liabilities and reconciliation of current year deferred tax charges are given below:

| Particulars | As at 31-03-2008 (Rs.) | CurrentYear 2008 - 2009 (Rs.) | As at 31-03-2009 (Rs.) |
|---|------------------------------|--|------------------------------|
| Deferred tax Assets/(Liabilities) arising on account of timing difference | | | |
| Depreciation | (42,302,586) | 909,245 | (41,393,341) |
| R & D Equipment | (1,366,199) | (1,700,702) | (3,066,901) |
| Total | (43,668,785) | (791,457) | (44,460,242) |

10. a) **PARTICULARS OF PAYMENTS TO THE WHOLE TIME DIRECTORS**

| Particulars | 2008-2009 (Rs.) | 2007-2008 (Rs.) |
|--------------|----------------------------|--------------------|
| Salary | 2,440,000 | 1,920,000 |
| Commission | 2,233,163 | 1,530,549 |
| Perquisites | 200,925 | 163,202 |
| Total | 4,874,088 | 3,613,751 |

b) Computation of net profit in accordance with Sec 349 of the Companies Act, 1956

| Particulars | 2008-2009 (Rs.) | 2007-2008 (Rs.) |
|--|----------------------------|--------------------|
| Profit before taxation as per profit & loss account | 109,091,647 | 74,319,340 |
| Add: Depreciation | 27,836,312 | 23,990,773 |
| Directors Remuneration | 4,874,088 | 3,613,751 |
| Directors Sitting Fee | 79,000 | 36,000 |
| Profit u/s 309 (5) of the Companies Act, 1956 | 141,881,047 | 101,959,864 |
| Less: Depreciation u/s 350 of Companies Act, 1956 | 30,222,903 | 25,432,426 |
| Net Profit u/s 349 of the Companies Act, 1956 | 111,658,144 | 76,527,438 |
| Commission payable to the Managing Director and Executive Director @1% each on the above profits | 2,233,163 | 1,530,549 |



11. PARTICULARS OF REMUNERATION TO AUDITORS

| Particulars | 2008-2009 (Rs.) | 2007-2008 (Rs.) |
|--|----------------------------|--------------------|
| Audit Fees | 400,000 | 300,000 |
| Tax Audit | 50,000 | 50,000 |
| Fees for certification & other matters | 34,500 | 21,000 |
| Out of pocket expenses | 25,000 | 25,000 |
| Total | 509,500 | 396,000 |

12. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 & 4 OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956, TO THE EXTENT RELEVANT:

i) Particulars in respect of Capacity and Production

| Product | Unit | Licenced Capacity | | *Installed Capacity | | Actual Production | |
|---------------|------|-------------------|-----------|---------------------|-----------|-------------------|-----------|
| | | 2008-2009 | 2007-2008 | 2008-2009 | 2007-2008 | 2008-2009 | 2007-2008 |
| Chlorpyrifos | | | | | | | |
| - Technical | MT | N.A | N.A | 2500 | 2500 | 1978.000 | 2133.600 |
| - Formulation | kL | N.A | N.A | 500 | 500 | 168.000 | 247.000 |
| Triclopyr | | | | | | | |
| - Technical | MT | N.A | N.A | 200 | 200 | - | 40.000 |
| - Formulation | kL | N.A | N.A | - | - | - | - |
| Imidacloprid | | | | | | | |
| - Technical | MT | N.A | N.A | 100 | 100 | - | - |
| Fluroxypyr | | | | | | | |
| - Technical | MT | N.A | N.A | 400 | 400 | 344.000 | 270.000 |
| Clodinafop | | | | | | | |
| - Technical | MT | N.A | N.A | 80 | - | 1.575 | - |

* Installed capacity is certified by the management and not verified by the auditors this being a technical matter.



ii) Particulars in respect of Sales and Stocks

| A. UNIT-1 | | (Value Rs. in lakhs) | | | | | |
|----------------------------|-----------|----------------------|--------------|-----------------|----------------|---------------|--------------|
| Product | Unit | Opening Stock | | Sales | | Closing Stock | |
| | | Qty | Value | Qty | Value | Qty | Value |
| Chlorpyrifos (Technical) | | | | | | | |
| 2008-2009 | MT | 25.150 | 50.50 | 1991.400 | 6268.41 | 11.750 | 29.38 |
| 2007-2008 | MT | 6.000 | 12.00 | 2114.450* | 5353.20 | 25.150 | 50.50 |
| Chlorpyrifos (Formulation) | | | | | | | |
| 2008-2009 | kL | — | — | 168.00 | 377.31 | — | — |
| 2007-2008 | kL | — | — | 247.000 | 453.49 | — | — |

*Including captive consumption of 84.700 MT (Previous year 124 MT) used for formulation.

B. EOU-UNIT

| Product | Unit | Opening Stock | | Sales | | Closing Stock | |
|------------------------|-----------|---------------|--------------|----------------|----------------|---------------|---------------|
| | | Qty | Value | Qty | Value | Qty | Value |
| Triclopyr (Technical) | | | | | | | |
| 2008-2009 | MT | — | — | — | — | — | — |
| 2007-2008 | MT | — | — | 40.000 | 143.15 | — | — |
| Fluroxypyr (Technical) | | | | | | | |
| 2008-2009 | MT | 14.000 | 92.40 | 340.000 | 4152.89 | 18.000 | 149.40 |
| 2007-2008 | MT | — | — | 256.000 | 3017.08 | 14.000 | 92.40 |
| Clodinafop (Technical) | | | | | | | |
| 2008-2009 | MT | — | — | 1.200 | 46.80 | 0.375 | 13.61 |
| 2007-2008 | MT | — | — | — | — | — | — |



Bhagiradha Chemicals & Industries Limited

iii) Break up of Raw Materials consumed

A. UNIT - 1

| Description | 2008-2009 | | 2007-2008 | |
|-------------------------------------|--------------|-------------------------|--------------|-------------------------|
| | Qty (Kgs) | Value (Rs. in lakhs) | Qty (Kgs) | Value (Rs. in lakhs) |
| Acrylonitrile | 612,330 | 541.10 | 655,000 | 605.22 |
| Trichloro Acetyl Chloride | 1,974,000 | 1139.43 | 2,033,092 | 1104.19 |
| Diethyl Thio Phosphoryl Chloride | 1,209,750 | 1496.40 | 1,317,880 | 1051.44 |
| Ethylene Dichloride | 324,600 | 85.96 | 338,400 | 87.67 |
| Caustic Soda lye | 3,945,000 | 470.42 | 4,078,765 | 383.12 |
| Others | 591,621 | 230.30 | 555,282 | 238.89 |
| Total Consumption | | 3963.61 | | 3470.53 |

B. EOU - UNIT

| | | | | |
|--------------------------|-----------|-----------------|-----------|-----------------|
| Penta Chloro Pyridine | 449,350 | 1,284.28 | 353,015 | 993.74 |
| NMP | 118,314 | 196.35 | 74,211 | 102.23 |
| Methyl Chloro Acetate | 199,750 | 157.50 | 184,250 | 150.35 |
| Others | 1,710,370 | 804.85 | 1,488,647 | 446.63 |
| Total Consumption | | 2,442.98 | | 1,692.95 |

iv) Value of Raw Materials Consumed

UNIT - 1

| Particulars | 2008-2009 | | 2007-2008 | |
|--------------|-------------------------|---------------------------|-------------------------|---------------------------|
| | Value (Rs. in lakhs) | % to total consumption | Value (Rs. in lakhs) | % to total consumption |
| Imported | 1,511.84 | 38.14 | 991.22 | 28.56 |
| Indigenous | 2,451.77 | 61.86 | 2,479.31 | 71.44 |
| Total | 3,963.61 | 100.00 | 3470.53 | 100.00 |

EOU UNIT

| | | | | |
|--------------|-----------------|---------------|-----------------|---------------|
| Imported | 1,539.12 | 63.01 | 1,095.98 | 64.74 |
| Indigenous | 903.86 | 36.99 | 596.98 | 35.26 |
| Total | 2,442.98 | 100.00 | 1,692.96 | 100.00 |



v) Value of imports on CIF Basis

(Value Rs. in lakhs)

| Particulars | 2008-2009 | 2007-2008 |
|-------------------|-----------------|-----------------|
| Raw Materials | | |
| UNIT - 1 | 1,360.95 | 867.28 |
| EOU UNIT | 1,523.91 | 1,058.87 |
| Capital Equipment | 62.45 | – |
| Total | 2,947.31 | 1,926.15 |

vi) Expenditure in Foreign Currency

| Particulars | 2008-2009 | 2007-2008 |
|----------------------|-----------|-----------|
| Professional charges | – | 9.13 |
| Foreign Travel | 3.84 | 1.27 |
| Sales Commission | 26.16 | 12.20 |
| Consumables | 0.51 | 2.94 |

vii) Earnings in Foreign Currency

| Particulars | 2008-2009 | 2007-2008 |
|----------------------|-----------------|-----------------|
| FOB value of Exports | | |
| UNIT - 1 | 3,605.37 | 2,686.68 |
| EOU UNIT | 4,199.69 | 3,181.96 |
| Total | 7,805.06 | 5,868.64 |

13. Figures of the previous year have been regrouped / rearranged wherever considered necessary to confirm to the current year presentation or classification.



Bhagiradha Chemicals & Industries Limited

14. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

- a) Registration No. : 01-15963
b) State Code : 0 1
c) Balance Sheet Date : 31.03.2009
d) Corporate Identification No. : L24219AP1993PLC015963

II. CAPITAL RAISED/ISSUED DURING THE YEAR (Amount Rs. in thousands)

- a) Public Issue : N I L
b) Bonus Issue : N I L
c) Rights Issue : N I L
d) Private Placement : N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in thousands)

- a) Total Liabilities : 694276 b) Total Assets : 694276

Sources of Funds:

- a) Paid Up Capital : 50783 d) Un-Secured Loans : 37417
b) Reserves & Surplus : 388844 e) Deferred Tax Liability: 44460
c) Secured Loans : 172772

Application of Funds:

- a) Net Fixed Assets : 384046 c) Net Current Assets : 310230
b) Investments : NIL d) Misc. Expenditure : NIL

IV. PERFORMANCE OF THE COMPANY (Amount Rs. in thousands)

- a) Turnover :1046915 d) Profit After Tax : 94764
b) Total Expenditure : 937823 e) Earning per Share(Rs.): 18.75
c) Profit Before Tax : 109092 f) Dividend Rate : 30%

V. GENERIC NAME OF THE PRODUCT

Item Code No. : 38081029 Item Code No. : 38081029
Product Description : Chlorpyriphos Insecticide Product Description : Triclopyr Weedicide

Item Code No. : 38081029 Item Code No. : 38081 029
Product Description : Imidacloprid Insecticide Product Description : Fluroxypyr Weedicide

Item Code No. : 38081029
Product Description : Clodinafop Weedicide

As per our attached report of even date

For R. Kankaria & Uttam Singhi
Chartered Accountants

For and on behalf of the Board

Rajendra Kankaria
Partner

D. Ranga Raju
Chairman

S. Koteswara Rao
Managing Director

Place : Hyderabad
Date : 27.06.2009

V. Lakshmi Narayana
General Manager (Finance)

Mary Monica Braganza
Company Secretary



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

Regd. Office: 8-2-269/S/3/A, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

ELECTRONIC CLEARING SERVICE (ECS) FOR PAYMENT OF DIVIDEND

To
The Shareholders

A new method of payment has been introduced by Reserve Bank of India which provides you an option to collect your dividend directly through your bank accounts. The facility is called Electronic Clearing Services (ECS). This would facilitate shareholders to obtain the dividend electronically and the payment would consequently be faster and loss of dividend instrument in postal transit would be eliminated.

Under this method, the amount of dividend payable to you would be directly credited to your bank account. The company would issue payment instructions electronically through their bankers to the clearing authority and the clearing authority would supply credit reports to the bank with which you maintain the specified account. The branch will credit your account and indicate the credit as 'ECS' in your passbook/statement of account. The company would issue an advise of remittance to the shareholder after the transaction is effected.

Considering the benefits derived in ECS for payment of dividend Securities and Exchange Board of India has advised the companies to mandatorily use ECS facility for distributing dividend or other cash benefits to the shareholders wherever the said facility is available.

If a shareholder wishes to participate in this scheme and have the dividends paid through ECS, you are advised to kindly fill in the enclosed ECS mandate form and submit it to your Depository Participant incase you hold shares in electronic form and to the Registrars and Share Transfer Agent in case you hold shares in physical form. Please note that the information provided by you should be accurate and complete in all respects.

For Bhagiradha Chemicals & Industries Limited

S. Koteswara Rao
Managing Director



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

Regd. Office: 8-2-269/S/3/A, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

ECS MANDATE FORM

Electronic Clearing Service (Credit Clearing)

Members' authorisation to receive dividends through Electronic Credit Clearing Mechanism

Name of the First/Sole Shareholder _____

Regd. Folio No./Client ID

DPID

Particulars of Bank account of first/sole shareholder :

Name of the Bank :

Branch, Address, Telephone No. of the Branch :

9 digit code number of the Bank and Branch
appearing on the MICR cheque issued by the Bank

Account Number :
(as appearing on the cheque book/passbook)

Account type :
(Saving / Current / Cash Credit Account)

Ledger No./Ledger folio No. :
(If appearing on the cheque book/pass book)

Effective Date :

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

Place :

Date : Signature of the First / Sole Shareholder

Notes

1. Please fill in the Mandate form and send it to:
 - a. The Depository Participant who is maintaining your Demat account in case you hold shares electronically.
 - b. Registrar & Share Transfer Agent in case you hold shares in Physical form.
2. Please attach a blank cancelled cheque or photocopy of a cheque.
3. In case of more than one folio / demat account please complete details on separate sheets.
4. The information provided by you will be treated confidential and would be utilised only for the purpose of effecting the payments meant for you. You also have a right to withdraw from this mode of payment by providing the company with an advance notice of 6 weeks.
5. The members located at centres other than those approved by RBI will continue to receive the Dividend Warrants, despite ECS Mandate.



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

Regd. Office: 8-2-269/S/3/A, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

PROXY FORM

Regd. No. _____

I/We _____
_____ being a member
of Bhagiradha Chemicals & Industries Limited hereby appoint _____
of _____ or failing him _____ of
_____ or failing him _____ of
_____ or failing him _____ of
_____ as my/our proxy to vote for me/us on my/our behalf,
at the Sixteenth Annual General Meeting of the Company to be held on Friday, the 31st day
of July, 2009 at 3.00 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2009

Signed by the said _____

Note: This form duly completed should be deposited at the Registered
Office of the Company before 3.00 P.M. of 29th July, 2009.

Affix
Thirty
Paise
Revenue
Stamp

--- TEAR HERE ---



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

Regd. Office: 8-2-269/S/3/A, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.
Only Members or their Proxies are entitled to be present at the meeting.

Member's Ledger Folio No. _____

Name & Address _____

I hereby record my presence at the Sixteenth Annual General Meeting held at Hotel Green
Park, Greenlands, Ameerpet, Hyderabad-500 016 at 3.00 P.M. on Friday, the 31st July, 2009.

Signature of the Shareholder/Proxy*

* Strike out whichever is not applicable

