



BOARD OF DIRECTORS

D. Ranga Raju	Chairman
K.S. Raju	Director
Dr. S. Ramnarayan	Director
Sudhakar Kudva	Director
V. Vijay Shankar	Additional Director
S. Chandra Sekhar	Director
D. Sadasivudu	Executive Director

18th ANNUAL GENERAL MEETING

Day	: Wednesday
Date	: 10th August 2011
Time	: 10.30 A.M.
Venue	: Hotel Green Park Greenlands, Ameerpet Hyderabad 500 016.

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BANKERS

State Bank of India
AXIS Bank Limited

AUDITORS

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

REGISTERED OFFICE

8-2-269/S/3/A, Plot No.3
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



NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Shareholders of Bhagiradha Chemicals & Industries Limited will be held at 10.30 A.M. on Wednesday, the 10th day of August, 2011 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, 2011 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 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.
3. To appoint a director in the place of Sri Sudhakar Kudva who retires by rotation in terms of Article 143 of the Articles of Association and being eligible, offers himself for re-appointment.
4. To reappoint M/s. R. Kankaria & Uttam Singhi, Chartered Accountants, bearing ICAI Registration No.000442S 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

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

"RESOLVED THAT Mr. V. Vijay Shankar, 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."

By Order of the Board

Place : Hyderabad
Date : 30.05.2011

J.R. Nagajayanthi
Company Secretary

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 at least 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 25.07.2011 to 29.07.2011 (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 Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial year	Date of declaration of dividend	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	12-11-2015
2008-2009	31-07-2009	30-07-2016	29-07-2016

Members who have not en-cashed the dividend warrants so far in respect of the aforesaid periods are requested to send their claims, if any, to the company well in advance of the above due dates. Once the amounts in the unpaid dividend is transferred to the IEPF, no claim shall lie against IEPF or the company in respect thereof and the Members will lose their right to claim such dividend.

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.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

Mr. V. Vijay Shankar was appointed as additional director of the company on 30th May 2011 under Article 129 of the Articles of Association of the company. As per the provisions of Section 260 of the Companies Act, 1956, Sri V. Vijay Shankar holds office as 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 ₹ 500/- proposing the appointment of Sri V. Vijay Shankar as a director of the company.

Sri V. Vijay Shankar is a Chartered Accountant and has extensive experience in the field of finance and accounts. He has worked with prestigious companies like Zuari, Mahindra & Mahindra, Chambal fertilizers Etc.,

He is also the Managing Director of Nagarjuna Agrichem Limited. He does not hold any committee memberships in the companies in which he is a director. He does not hold any shares in this company.

The company will benefit from the experience of Sri V. Vijay Shankar in varied fields like finance, accounts, treasury and administration.

The Board recommends his appointment.

None of the directors of the company are in any way concerned or interested in this resolution.

By Order of the Board

Place : Hyderabad
Date : 30.05.2011

J.R. Nagajayanthi
Company Secretary



DIRECTORS' REPORT

To
The Shareholders

Your directors have pleasure in presenting the Eighteenth annual report together with the audited accounts of the company for the year ended 31st March 2011.

Financial Results

	Year ended 31-03-2011	Year ended 31-03-2010
		(₹ in lakhs)
Net sales and other income	6,000	9,909
Operating profit (PBDIT)	103	935
Less: Depreciation	256	346
Less: Interest	118	161
Profit before tax	(271)	428
Less: Provision for tax (Incl. deferred tax)	(279)	96
Net profit	8	332
Balance brought forward from previous year	3,417	3,086
Profit available for appropriation	3,425	3,417
- Transfer to general reserve	-	-
- Balance carried to balance sheet	3,425	3,417

Operations

The net revenue for the current year was ₹ 6,000 Lakhs (₹ 9,909 lakhs) which includes an export income of ₹ 3,688 lakhs (₹ 7,657 lakhs). The profit before tax was (₹ -271) lakhs (₹ 428 lakhs) a significant decline while compared to the previous year. The production during the year was 834 MT (1,880 MT).

Dividend

The Board of Directors have not recommended any dividend for the financial year ended 31st March 2011.

Safety, Health and Environment

Your company has a good record in matters relating to safety, health and environment. Your company is putting its best efforts to augment the treatment and disposal of effluents satisfying the relevant norms of the pollution control authorities.

Your company has always laid great emphasis on Environment, Health, Safety (EHS) and Pollution. EHS and Pollution control responsibility is fundamental to Company's values. As the company is committed to become a world class company, measurable improvements in environment, health, safety and pollution aspects in relation to our products, services & operations remains our key focus. The ambient air quality and stack emissions level gets monitored with the help of third party on a monthly basis. These parties are Government recognized laboratories recognized by Ministry of Environment.

Company undertakes constant & persistent efforts to upgrade environmental performance. Effluents from the plants are treated so effectively that it meets not only the legal parameters



but also meets with Company's stringent internal standards. Air emissions are effectively controlled by providing dust collectors, wet scrubbers. Waste management system provides comprehensive guideline to monitor, control & minimize generation of wastes.

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 2011 and of the Profit/Loss 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 the Director's Report.

Directors

During the year Sri Ashok Muni and Sri A. Hari Prasad resigned from the board, the Board places on its record the valuable contribution made by them during their tenure as Director. Mrs. K. Lakshmi Raju was appointed as additional director on 28th January 2011 and she resigned from the Board on 30th May 2011 due to her personal commitments. Board places on record the valuable contribution made by her during the short span of time.

Sri V. Vijay Shankar was appointed as additional director on 30th May 2011. Sri V. Vijay Shankar holds office as director of the company upto the ensuing Annual general Meeting. Notices in writing have been received from the members of the company under section 257 of the Companies Act 1956, conveying their intention to propose the appointment of Sri V.Vijay Shankar as director of the company.

Sri Ranga Raju and Sri Sudhakar Kudva directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Statutory 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 they 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.

Cost Auditors

M/s Sagar & Associates, Cost Accountants, Hyderabad were appointed as the Cost Auditors of the company for the year 2010-2011. Pursuant to section 224 (1-B) and 233B of the Companies Act, 1956 your board of directors have sought the approval of Central government for their reappointment for the forthcoming financial year also. Your Board of Directors have recommended reappointment after obtaining certificate of 'independence' and ascertaining 'arms length relationship' from the cost auditors.

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 Exchange in Mumbai. The company has paid annual listing fee for the year 2011-2012 to the Bombay Stock Exchange.

Particulars of Employees

During the year under review NONE of the employees have received remuneration more than the limits specified under section 217 (2A) of the companies Act.

Acknowledgement

We thank our customers, vendors, investors and bankers namely State Bank of India and Axis Bank Limited for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, particularly the Ministry of Commerce, the Customs and Excise Departments, the Income Tax Department, , the Ministry of Finance, the Reserve Bank of India, the state governments and other government agencies for their support, and look forward to their continued support in the future.

The company places on record its sincere gratitude to the investors and members for the imposing trust and confidence shown by them on the company.

For and on behalf of the Board

Place : Hyderabad
Date : 30.05.2011

D. Ranga Raju
Chairman

ANNEXURE TO THE DIRECTOR'S 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:



FORM - A
(See Rule - 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

(Amount in ₹)

Particulars	For the year ended	
	31-03-2011	31-03-2010
I) ENERGY CONSERVATION		
A. Power & Fuel Consumption		
1. Electricity		
i) Purchased units (kwh)	63,96,067	92,88,390
Total Amount (₹)	3,02,48,980	3,24,73,209
Unit Rate (₹)	4.73	3.50
ii) Own Generation (on Diesel)		
a) Diesel Consumption (Ltrs)	78,050	1,18,300
Units	2,34,150	3,54,900
Units per Ltr of Diesel Oil	3.00	3.00
Total Amount (₹)	41,35,768	41,35,621
Unit Cost (₹)	17.66	11.65
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)	7,669	12,410
Total Amount (₹)	3,13,25,297	4,69,78,175
Average Rate / MT	4,085	3,786
3. Furnace Oil		
Quantity (Ltrs)	74,300	3,78,200
Total Amount (₹)	23,76,333	1,23,19,003
Average Rate / Ltr	31.63	32.57
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)	7,855	5,130
Furnace Oil (Ltrs)	88	201
Coal - Quality 'C' Grade (MT)	9.09	6.60



Bhagiradha Chemicals & Industries Limited

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 three additional products were developed.
- 3) Future plan of action
 - Development of technologies for key intermediates.
- 4) Expenditure on R&D for the year 2010-2011 ₹ in Lakhs
 - Capital --
 - Recurring 29.92
 - Total 29.92
 - R&D expenditure as a percentage of total turnover 0.50

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) Incase of imported technology (imported during the last 5 years), Give details of technology imported, year of import, whether technology fully absorbed.
 - No technology has been imported by the company.

Foreign Exchange Earnings and Outgo	₹ in Lakhs
- Earnings	3,580.48
- Outgo	1,760.54



ANNEXURE

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

The company manufactures technical grade agrochemicals active constituents used as insecticides and weedicides.

China is dominating the international market in supply of voluminous products being advantageously placed with the domestic availability of intermediates.

b) Opportunities and threats

During the financial year 2010-11, the company had taken rigorous initiatives to replace the Chlorpyrifos, as there was low market viability. But due to ban on other insecticides and stringent enforcement of environmental policies there is surge in the demand and price of Chlorpyrifos. The company, being a reputed manufacturer of Chlorpyrifos for the past 15 years, would like to regain the Chlorpyrifos business along with diversification by adding three new products to its existing product portfolio. These products are likely to be introduced in the forthcoming financial year.

Exports constitute a major part of the company's revenue and hence global recession and currency fluctuations affect the financial performance.

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

Drop in sales of Chlorpyrifos led to reduced operational and financial performance of the company. The financial performance is expected to improve with improvement in business volumes and prices.

d) Outlook

- As market conditions for chlorpyrifos has improved, the company would like to restart chlorpyrifos production, which will contribute to significant portion of company's revenue.
- The company will be commissioning its formulation unit in July, 2011 with an investment of 3 crores. This facility would help the company to market its actives as end formulated products.
- The additional products Clodinafop and Cloquintocet mexyl have contributed to 30% of the sales for the financial year 2010-11 and expected to increase with the launch of formulated products.

e) Risks and concerns

- The likely withdrawal of DEPB and its reflection on the pricing of the agrochemicals is a watchful situation.
- Single manufacturing location and change in demography is calling for more restraint on environmental factors.



- Volatility in prices and supply of imported raw material and exchange fluctuations negatively impact the company which relies both on import of raw materials as well as export of finished products.

f) Internal control system and their adequacy

The company has proper and adequate systems of internal controls, which ensures 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, 2011 was 133.

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

As on 31st March, 2011 the strength of the Board of Directors was seven comprising of one executive director and six non-executive directors. The particulars of the directors, their category, and attendance at meetings, other directorships and memberships in committees are given below:

Sl. No.	Name of the Director	Category	No. of Board Meetings attended 2010-11	Whether attended previous AGM held on 18-09-10	No. of other Directorship	No. of Committee Positions in other companies (Audit & share committee)	
						Member	Chairman
1.	Sri D. Ranga Raju Chairman	Non-Executive Independent	6	Yes	3	3	None
2.	Sri D. Sadasivudu Director	Promoter, Executive Director	6	Yes	None	None	None
3	Sri K.S. Raju Director	Non-Executive Independent	5	No	17	2	2
4	Dr. S. Ramnarayan Director	Non-Executive Independent	4	Yes	None	None	None
5	Sri Sudhakar Kudva Director	Non-Executive Independent	6	Yes	1	None	None
6	Sri S. Chandra Sekhar Director (Appointed wef 27.7.2010)	Promoter Director	4	Yes	2	None	None
7	S Lakshmi Raju Director (Appointed wef 28.1.2011)	Addl. Director Independent	1	No	1	None	None
8	Sri A. Hari Prasad Director	Non-Executive Independent	3	Yes (Resigned on 8.11.2010)			
9	Sri C.M. Ashok Muni Director	Addl. Director Independent	2	Yes (Resigned on 28.1.2011)			

None of the directors on the Board, is a member of more than ten committees (audit & 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 2010-2011, the Board of Directors have held Six meetings on the following dates: 29th May 2010, 12th July 2010, 27th July 2010, 9th October 2010, 28th October 2010, 28th January 2011

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

Sri Datla Ranga Raju (77) is a commerce graduate having over 45 years experience in manufacturing and marketing of agro chemicals. Sri D. Ranga Raju is associated with the company as director since March 1995. The name of other companies in which he is a director are given as under:

1. Vijaynagar Biotech Limited
2. Nagarjuna Agrichem Limited

Sri D. Ranga Raju is a member of the Audit committee and shareholders/investors grievance committee of Nagarjuna Agrichem Limited. He is also a member of Audit committee of Vijaynagar Biotech Limited

Sri. Sudhakar Kudva (61) is a Chartered Accountant and has over 34 years of experience in various senior positions in India and Abroad. He has worked with:

Nagarjuna Group	:	from 1981 to 1992
Indian seamless Group	:	from 1992 to 2003
Arcelor Mittal, Algeria	:	From 2003 to 2007

He has experience in international trading and contracting, financial services, treasury management and general management.

Sri V. Vijay Shankar (55) is a Chartered Accountant and has extensive experience in the field of finance and accounts. He has worked with prestigious companies like Zuari, Mahindra & Mahindra, Chambal fertilizers Etc.,

He was appointed as additional director of the company on 30th May 2011 under Article 129 of the Articles of Association of the company. As per the provisions of Section 260 of the Companies Act, 1956, Sri V. Vijay Shankar holds office as 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 ₹ 500/- proposing the appointment of Sri V. Vijay Shankar as a director of the company.



He is also the Managing Director of Nagarjuna Agrichem Limited. He does not hold any committee memberships in the companies in which he is a director. He does not hold any shares in this company.

The company will benefit from the experience of Sri V. Vijay Shankar in varied fields like finance, accounts, treasury and administration.

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, 2011. A declaration signed by the Executive Director to this effect is enclosed.

III. Audit Committee

a) Composition, Names of Members and Chairman

The Board has reconstituted its audit committee on 28th January 2011 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 Sudhakar Kudva	Independent & Non executive	Chairman
Sri D. Ranga Raju	Independent & Non Executive	Member
Dr S. Ramnarayan	Independent & Non Executive	Member

Sri Sudhakar Kudva is a member of Institute of Chartered Accountants of India and has over 34 years experience in Accounting, Treasury Management, Financial and General Management and 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 for approval.
- 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) Approval of appointment of CFO (i.e., the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualification, experience & background etc of the candidate.
- xiv) 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: 29th May 2010, 27th July 2010, 28th October 2010 and 28th January 2011. 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	3
Sri Sudhakar Kudva	3
Sri S. Koteswara Rao**	1

* Resigned on 08.11.2010

** Cessation by death on 04.07.2010

The Executive Director, 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.



III. 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 and Sri D. Ranga Raju and Mr Sudhakar Kudva are 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.

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

During the year under review one meeting the remuneration committee was held on 29th May 2010. The attendance of each of the members of the Committee is given below:

Name	No. of meetings attended
Dr S. Ramnarayan	1
Sri D. Ranga Raju	1
Sri A. Hari Prasad#	1
Sri Sudhakar Kudva**	0

Resigned on 8.11.2010. ** inducted wef 28.1.2011

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 2010-2011 is given below:

Name of the Director	₹ in lakhs			
	Salary	Perquisites	Sitting Fees	Total
Sri S. Koteswara Rao	9.38	11.09	-	20.47
Sri D. Sadasivudu	19.20	1.52	-	20.72
Sri D. Ranga Raju	-	-	1.20	1.20
Sri K.S. Raju	-	-	0.50	0.50
Sri A. Hari Prasad	-	-	0.60	0.60
Dr S. Ramnarayan	-	-	0.90	0.90
Sri Sudhakar Kudva	-	-	0.90	0.90
Mrs K. Lakshmi Raju	-	-	0.10	0.10



The number of shares held by the directors as on 31.03.2011 is given below.

Name of the Director	No. of shares held
Sri D. Sadasivudu	79200
Sri S. Chandra Sekhar	23200
Sri D. Ranga Raju	Nil
Sri K.S. Raju	Nil
Dr. S. Ramnarayan	Nil
Sri Sudhakar Kudva	Nil
Ms. K. Lakshmi Raju	Nil

V. Share Transfer & Investor's Grievance Committee

The committee presently comprises of Sri D. Ranga Raju, Sri Sudhakar Kudva 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.

During the year under review, one meeting of the committee was held on 15th July 2010. The attendance of each of the members of the Committee is given below:

Name	No. of meetings attended
Sri D. Ranga Raju	1
Sri D. Sadasivudu	1
Sri Sudhakar Kudva#	0

inducted on 27th July 2010

The General Manager Finance is the Compliance officer of the company. The company has received 12 investor complaints during the year 2010-2011. No complaints were pending as on March 31, 2011. There were no share transfers pending as on March 31, 2011.

VI. Management Committee

The company has constituted a management committee on July 28th 2010. The Management committee comprises of Sri D. Sadasivudu, Sri Sudhakar Kudva and Sri S. Chandra Sekhar as the members. The Chairman of the Committee is Sri. D. Sadasivudu.

The Management Committee inter alia shall assist the Board of Directors in fulfilling their supervisory role and help the company achieve its purposes through effective Governance and management. The Committee shall review the company's governance policies and procedures; budget and spending policy, staff compensation and benefit policy; general management, legal and personnel policies; and such other matters as the Board of Directors may from time to time determine.

During the year under review, two meetings of the committee were held on the followings dates: 28th July 2010 and 19th August 2010. The attendance of each of the members of the Committee is given below:



Name	No. of meetings attended
Sri D.Sadasivudu	2
Sri Sudhakar Kudva	2
Sri Chandra Sekhar	1
Sri CM Ashok Muni*	2

**Resigned on 28.1.2011*

VII. General Body Meeting

Location & time of last three Annual General Meetings

Date	Time	Venue	No.of Special Resolutions Passed
18.09.2010	10.30 AM	Hotel Green Park, Hyderabad	none
31.07.2009	3.00 P.M	Hotel Green Park, Hyderabad	none
31.07.2008	10.30 A.M	Hotel Green Park, 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.

VIII Disclosures

- i) There have been no materially significant related party transactions that may have potential conflict with the interest of the company.
- ii) During the year 2010-2011 Sales Tax department has levied penalty for delay in filing the return of sales tax under CST except this 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.
- iii) 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 2010-2011, 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 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. The code of conduct adopted by the Board ensures confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, or other company policies. Further during the year under review no employee was restricted from reporting concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct.

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 8 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.

IX. 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 also available 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 2010-2011.

X. General Shareholder information

i. Eighteenth Annual General Meeting

Date	:	10th August 2011
Day	:	Wednesday
Time	:	10.30 A.M.
Venue	:	Hotel Green Park

ii. Financial Year	:	April to March
iii. Date of Book Closure	:	25.7.2011 To 29.7.2011 (both dates inclusive)

iv. Dividend	:	Nil
v. Listing on Stock Exchange	:	The Bombay Stock Exchange Ltd
vi. Stock Code	:	BSE - 531719
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 (₹)	Low (₹)
April 2010	90.50	70.00
May 2010	88.20	67.15
June 2010	74.00	59.15
July 2010	71.00	54.50
August 2010	63.40	48.70
September 2010	62.75	51.50
October 2010	54.75	45.00
November 2010	50.95	38.10
December 2010	50.95	38.00
January 2011	47.00	37.50
February 2011	39.90	33.05
March 2011	36.00	28.00

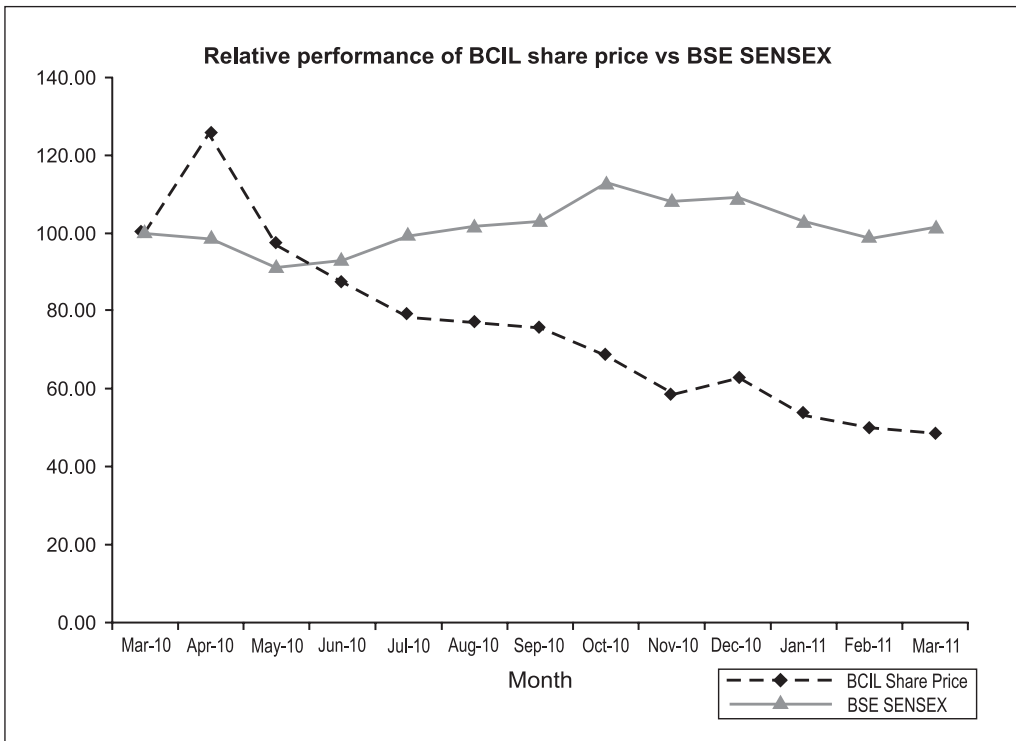
Source: www.bseindia.com



xiii. Performance in comparison to BSE Sensex

Performance of the share price of the company in comparison to BSE Sensex for the period April '2010 to March' 2011 is given below:

Month	BCIL Close Price on BSE	Close Price BSE Sensex	Relative index for comparison purpose	
			BCIL	BSE Sensex
March 2010	70	17528	100.00	100.00
April 2010	88	17559	125.71	98.57
May 2010	69	16945	97.14	91.06
June 2010	61	17701	87.14	93.10
July 2010	55	17868	78.57	99.25
August 2010	54	17971	77.14	101.67
September 2010	53	20069	75.71	102.85
October 2010	48	20032	68.57	112.79
November 2010	41	19521	58.57	108.14
December 2010	44	20509	62.86	108.82
January 2011	38	18328	52.86	102.91
February 2011	35	17823	50.00	98.68
March 2011	34	19445	48.57	101.51



Source: www.bseindia.com

**x. Registrars & Transfer Agents**

XL Softech System 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

90.43% of the shares of the company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the company.

All matters pertaining to share transfer in physical form are handled by the Registrars and Share Transfer Agents M/s XL Softech Systems Limited, Hyderabad. The share transfer requests 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, 2011.

xii. Distribution of shareholding as on March 31, 2011*

Shareholding	No. of Shareholders	%	No. of Shares	%
upto 500	2435	81.36	361518	7.15
501 - 1000	254	8.48	205076	4.06
1001 - 2000	138	4.61	207756	4.11
2001 - 3000	52	1.74	130264	2.58
3001 - 4000	21	0.70	72851	1.44
4001 - 5000	25	0.83	115985	2.30
5001 - 10000	34	1.14	270427	5.35
Above 10000	34	1.14	3689823	73.01
Total	2993	100.00	5053700	100.00
Shares held in		Number		%
Physical Mode		483821		9.57
Demat Mode		4569879		90.43
Total		5053700		100.00

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



xiii) Shareholding Pattern as on March 31, 2011

Sl.No	Category	No. of shares	%
A	Shareholding of Promoter & Promoter Group	1216294	24.07
B	Public Shareholding		
	1. Foreign Institutional Investors	Nil	NIL
	2. Bodies Corporate	2421169	47.91
	3. Indian Public	1322510	26.17
	4. Non Resident Indians	89619	1.77
	5. Clearing Members	4108	0.08
	Total	5053700	100.00

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

xiv. Dematerialization of shares and liquidity

The company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Dematerialization of shares is 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 along with 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, Plot No. 3
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 : nihita.s@bhagirad.com



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 March 31, 2011.

Place : Hyderabad
Date : 30.05.2011

D. Sadasivudu
Executive Director

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 (the Company) for the year ended 31st March, 2011 as stipulated in clause 49 of Listing Agreement of the said Company with Stock Exchange 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 investors' 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
Firm Registration No.000442S

Place : Hyderabad
Date : 30.05.2011

Uttam Kumar Singhi
Partner
Membership No.027481/ICAI.



**EXECUTIVE DIRECTOR AND GENERAL MANAGER FINANCE
CERTIFICATION**

We, D.Sadasivudu, Executive Director and K. Gopala Krishna, 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.

D.Sadasivudu
Executive Director

K. Gopala Krishna
General Manager - Finance

Place : Hyderabad
Date : 30.05.2011



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, 2011 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 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011 and
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date.
 - (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
Firm Registration No.000442S

Uttam Kumar Singhi
Partner
Membership No.027481/ICAI.

Place : Hyderabad
Date : 30.05.2011



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 (except for DTA Unit, due to suspension of production activities) 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 the 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 the 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.



- 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 and are of the opinion that the prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete, as the examination of the records are to be made by a Cost Auditor.
- 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, 2011 except as stated below:

Name of the Statute	Nature of dues	Amount (₹)	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand on assessment (Asst. Year 2006-07)	6,55,939/-	Appeal pending with ITAT

- x) The Company does not have accumulated losses as at the end of the financial year but it has incurred cash loss of ₹ 19,21,550/- in the current financial year and no cash loss 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 institutions, 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 or 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
Firm Registration No.000442S

Place : Hyderabad
Date : 30.05.2011

Uttam Kumar Singhi
Partner
Membership No.027481/ICAI.



Bhagiradha Chemicals & Industries Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHE- DULE	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
I. SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
Share Capital	1	5,07,82,500	5,07,82,500
Reserves & Surplus	2	<u>42,27,89,942</u>	<u>42,20,14,213</u>
		47,35,72,442	47,27,96,713
2. LOAN FUNDS			
Secured Loans	3	11,86,85,169	9,94,37,308
Unsecured Loans	4	<u>3,90,84,255</u>	<u>3,89,19,538</u>
		15,77,69,424	13,83,56,846
3. DEFERRED TAX LIABILITY (NET)	9	<u>3,38,65,761</u>	<u>4,38,06,851</u>
TOTAL		<u>66,52,07,627</u>	<u>65,49,60,410</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	5	53,72,60,306	53,60,24,221
Less: Depreciation		<u>20,45,99,145</u>	<u>17,90,37,617</u>
Net Block		33,26,61,161	35,69,86,604
Capital Work In Progress	6	<u>2,15,63,918</u>	-
		35,42,25,079	35,69,86,604
2. CURRENT ASSETS, LOANS & ADVANCES			
Interest Accrued	7	3,48,138	3,19,121
Inventories		7,19,97,676	7,63,87,119
Sundry Receivables		9,19,24,195	22,26,87,839
Cash & Bank Balances		14,82,66,719	4,71,85,334
Loans & Advances		<u>6,71,75,853</u>	<u>6,04,92,635</u>
		37,97,12,581	40,70,72,048
3. LESS: CURRENT LIABILITIES & PROVISIONS			
NET CURRENT ASSETS	8	<u>6,87,30,033</u>	<u>10,90,98,242</u>
TOTAL		<u>31,09,82,548</u>	<u>29,79,73,806</u>
TOTAL			
		<u>66,52,07,627</u>	<u>65,49,60,410</u>
DISCLOSURE OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 16			

As per our attached report of even date

For and on behalf of the Board

For R. Kankaria & Uttam Singhi
Chartered Accountants
Firm Registration No.000442S

Uttam Kumar Singhi
Partner
Membership No.027481

D. Ranga Raju
Chairman

D. Sadasivudu
Executive Director

Place : Hyderabad
Date : 30.05.2011

K. Gopala Krishna
General Manager (Finance)

J.R. Nagajayanthi
Company Secretary


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHE- DULE	FOR THE YEAR ENDED 31.03.2011 (₹)	FOR THE YEAR ENDED 31.03.2010 (₹)
I. INCOME			
Sales Revenue	10	59,36,26,169	98,06,12,749
Other Income	11	<u>63,47,638</u>	<u>1,03,26,370</u>
		<u>59,99,73,807</u>	<u>99,09,39,119</u>
II. EXPENDITURE			
Manufacturing Expenses	12	51,90,00,898	78,68,06,254
Administration, Selling and Other Expenses	13	8,31,20,914	9,58,97,514
(Increase)/Decrease in Stocks	14	(1,23,90,955)	1,48,16,334
Finance Charges	15	1,17,79,891	1,60,71,360
Depreciation	5	<u>2,55,61,528</u>	<u>3,45,90,421</u>
		<u>62,70,72,276</u>	<u>94,81,81,883</u>
PROFIT BEFORE TAX		(2,70,98,469)	4,27,57,236
Less: Provision For :			
- Current Income Tax		-	72,66,592
- Previous Year Income Tax		3,84,609	29,73,728
- MAT Credit Entitlement		(1,83,17,737)	-
- Deferred Tax		<u>(99,41,090)</u>	<u>(6,53,391)</u>
PROFIT AFTER TAX		7,75,749	3,31,70,307
Balance brought forward from previous year		<u>34,17,40,334</u>	<u>30,85,70,047</u>
Available for Appropriation		<u>34,25,16,083</u>	<u>34,17,40,354</u>
- Transfer to General Reserve		-	-
- Balance Carried to Balance Sheet		<u>34,25,16,083</u>	<u>34,17,40,354</u>
		<u>34,25,16,083</u>	<u>34,17,40,354</u>
Earnings Per Share		0.15	6.56
DISCLOSURE OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	16		

As per our attached report of even date

For and on behalf of the Board

For R. Kankaria & Uttam Singhi
Chartered Accountants
Firm Registration No.000442S

Uttam Kumar Singhi
Partner
Membership No.027481

D. Ranga Raju
Chairman

D.Sadasivudu
Executive Director

Place : Hyderabad
Date : 30.05.2011

K. Gopala Krishna
General Manager (Finance)

J.R. Nagajayanthi
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	FOR THE YEAR ENDED 31.03.2011 (₹)	FOR THE YEAR ENDED 31.03.2010 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(2,70,98,469)	4,27,57,236
Adjustments for :		
Depreciation	2,55,61,528	3,45,90,421
Discarded Assets/(Profit) on sale of Assets	–	(30,856)
Interest Expenses	98,92,969	1,42,69,463
Interest Income	(5,79,844)	(8,55,824)
Operating Profit Before Working Capital Changes	77,76,184	9,07,30,440
Adjustments for :		
Sundry Receivables	13,07,63,644	6,45,49,064
Inventories	43,89,443	1,79,39,446
Loans and Advances	1,28,03,407	2,89,13,632
Trade Payables & Provisions	(3,90,98,248)	(4,07,97,565)
	10,88,58,246	7,06,04,577
Cash Generated from Operations	11,66,34,430	16,13,35,017
Income Tax	(16,12,403)	(1,76,54,067)
Fringe benefit tax Paid	–	(1,15,954)
Net Cash Flow from Operating Activities	11,50,22,027	14,35,64,996
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(24,37,535)	(71,82,009)
Capital Work In Progress	(2,15,63,918)	–
Interest Received	5,50,827	9,35,884
Sale of Fixed Assets	–	38,000
Net Cash used in Investing Activities	(2,34,50,626)	(62,08,125)



PARTICULARS	FOR THE YEAR ENDED 31.03.2011 (₹)	FOR THE YEAR ENDED 31.03.2010 (₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings		
For Working Capital	1,92,47,861	(7,33,34,689)
Proceeds from Sales Tax Loan	1,64,717	15,02,196
Interest Paid	(98,92,969)	(1,42,69,463)
Dividend Paid	(9,625)	(1,01,07,400)
Corporate Dividend Tax Paid	-	(17,17,753)
Net Cash used in Financing Activities	95,09,984	(9,79,27,109)
Net Increase /(Decrease) in Cash and Cash Equivalents	10,10,81,385	3,94,29,762
Cash and Cash equivalents as at the beginning of the period	4,71,85,334	77,55,572
Cash and Cash equivalents as at the end of the period	14,82,66,719	4,71,85,334

As per our attached report of even date

For and on behalf of the Board

For R. Kankaria & Uttam Singhi

Chartered Accountants

Firm Registration No.000442S

Uttam Kumar Singhi

Partner

Membership No.027481

D. Ranga Raju

Chairman

D.Sadasivudu

Executive Director

Place : Hyderabad

Date : 30.05.2011

K. Gopala Krishna

General Manager (Finance)

J.R. Nagajayanthi

Company Secretary



Bhagiradha Chemicals & Industries Limited

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
60,00,000 Equity Shares of ₹ 10/- Each	<u>6,00,00,000</u>	<u>6,00,00,000</u>
ISSUED AND SUBSCRIBED		
51,02,800 equity shares of ₹ 10/- each	<u>5,10,28,000</u>	<u>5,10,28,000</u>
PAID UP		
50,53,700 equity shares of ₹ 10/- each	5,05,37,000	5,05,37,000
Add: Shares forfeited	<u>2,45,500</u>	<u>2,45,500</u>
	<u>5,07,82,500</u>	<u>5,07,82,500</u>
TOTAL	<u>5,07,82,500</u>	<u>5,07,82,500</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
A. GENERAL RESERVE	8,02,73,859	8,02,73,859
B. PROFIT & LOSS ACCOUNT (Balance as per annexed account)	34,25,16,083	34,17,40,354
	<u>42,27,89,942</u>	<u>42,20,14,213</u>
TOTAL	<u>42,27,89,942</u>	<u>42,20,14,213</u>
SCHEDULE - 3		
SECURED LOANS		
Working Capital Loan From Banks	<u>11,86,85,169</u>	<u>9,94,37,308</u>
TOTAL	<u>11,86,85,169</u>	<u>9,94,37,308</u>
SCHEDULE - 4		
UNSECURED LOANS		
Deferred Sales Tax under AP State Incentive Scheme	3,90,84,255	3,89,19,538
	<u>3,90,84,255</u>	<u>3,89,19,538</u>
TOTAL	<u>3,90,84,255</u>	<u>3,89,19,538</u>



**SCHEDULE – 5
FIXED ASSETS**

(in ₹)

SL. DESCRIPTION NO.	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 31.3.2010	ADDITIONS	DELETIONS	AS AT 31.3.2011	UP TO 31.3.2010	DELETIONS	FOR THE YEAR	AS AT 31.3.2011	AS AT 31.3.2010
1. Land & Site Development	2,18,73,211	-	-	2,18,73,211	-	-	-	2,18,73,211	2,18,73,211
2. Factory Buildings	9,46,88,558	-	-	9,46,88,558	1,54,10,010	-	19,18,389	7,73,60,159	7,92,78,548
3. Plant & Machinery	35,94,35,742	21,73,076	12,01,450	36,04,07,368	13,58,02,812	-	2,09,87,565	20,36,16,991	22,36,32,930
4. Electrical Installations	4,33,93,131	1,55,291	-	4,35,48,422	1,67,42,804	-	15,98,910	1,83,41,714	2,66,50,327
5. Technical Know-how	40,70,000	-	-	40,70,000	30,26,452	-	2,14,896	8,28,652	10,43,548
6. Furniture & Fixtures	22,16,173	-	-	22,16,173	11,24,727	-	1,39,181	9,52,265	10,91,446
7. Office Equipment	22,42,859	51,000	-	22,93,859	17,02,516	-	1,01,882	18,04,398	5,40,343
8. Computers	25,75,303	58,168	-	26,33,471	22,49,418	-	52,524	3,31,529	3,25,885
9. Vehicles	55,29,244	-	-	55,29,244	29,78,878	-	5,48,181	20,02,185	25,50,366
Total	53,60,24,221	24,37,535	12,01,450	53,72,60,306	17,90,37,617	-	2,55,61,528	33,26,61,161	35,69,86,604
PREVIOUS YEAR FIGURES	52,88,42,212	75,37,998	3,55,989	53,60,24,221	14,47,96,041	3,48,845	3,45,90,421	17,90,37,617	38,40,46,171



Bhagiradha Chemicals & Industries Limited

	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
SCHEDULE - 6		
CAPITAL WORK IN PROGRESS		
- Plant & Machinery	1,12,67,511	-
- Civil Works	27,20,711	-
- Advance towards Capital Goods	<u>75,75,696</u>	-
TOTAL	<u>2,15,63,918</u>	<u>-</u>
SCHEDULE - 7		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Interest Accrued	3,48,138	3,19,121
INVENTORIES (As valued and certified by the Management)		
Raw Materials	3,58,24,917	4,90,40,765
Raw Materials in Warehouse	-	3,45,980
Coal & Fuel	2,22,555	19,60,300
Stores, Spares & Consumables	13,08,515	25,75,424
Packing Materials	7,87,432	10,01,348
Work in Process	2,12,91,507	1,42,37,552
Finished Goods	<u>1,25,62,750</u>	<u>72,25,750</u>
	7,19,97,676	7,63,87,119
SUNDRY RECEIVABLES (UNSECURED)		
Debts outstanding for a period exceeding six months		
- Considered Good	-	4,77,151
- Considered Doubtful	-	-
Other Debts	<u>9,19,24,195</u>	<u>22,22,10,688</u>
	9,19,24,195	22,26,87,839
CASH & BANK BALANCES		
Cash on hand	29,414	1,18,147
Balances with Scheduled Banks		
- In Current Accounts	4,15,20,000	25,72,695
- In EEFC Account	10,30,73,715	4,19,43,668
- In Unpaid Dividend Accounts	6,74,449	6,84,074
- In Margin Money	<u>29,69,141</u>	<u>18,66,750</u>
	14,82,66,719	4,71,85,334



	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
LOANS & ADVANCES		
(Unsecured, considered good & recoverable in cash or kind or for value to be received)		
Advances to suppliers & others	54,35,887	62,32,449
Advances for Land	33,41,250	3,341,250
Prepaid Expenses	7,60,832	8,21,513
Deposits with Govt, Semi-Govt Depts.	58,53,612	58,63,088
Other Deposits	2,46,600	2,46,600
CENVAT Credit Receivable	1,20,55,566	1,77,95,909
Export Incentive Receivable	17,61,568	16,84,448
Income Tax Paid	67,56,068	55,87,180
MAT Credit Entitlement	1,83,17,737	-
VAT Receivable	5,36,823	77,62,509
CST Receivable	14,80,853	5,28,632
Duty Draw Back Receivable	1,06,29,057	1,06,29,057
	6,71,75,853	6,04,92,635
TOTAL	37,97,12,581	40,70,72,048

SCHEDULE - 8

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

- For Raw Materials	4,86,29,647	6,40,42,108
- For Capital Account	2,44,500	12,01,450
- For Expenses and Others	54,85,438	1,27,45,027
- Unpaid Dividend accounts	6,74,449	6,84,074

(not due to be credited to

investor education and protection fund)

5,50,34,034

7,86,72,659

PROVISIONS

- For Expenses

1,36,95,999

3,04,25,583

TOTAL**6,87,30,033**

10,90,98,242

SCHEDULE - 9

DEFERRED TAX LIABILITY

Opening Balance

4,38,06,851

4,44,60,242

Current Year

(99,41,090)

(6,53,391)

TOTAL**3,38,65,761**

4,38,06,851



Bhagiradha Chemicals & Industries Limited

	FOR THE YEAR ENDED 31.03.2011 (₹)	FOR THE YEAR ENDED 31.03.2010 (₹)
SCHEDULE - 10		
SALES REVENUE		
- Domestic Sales	27,71,66,942	24,90,20,769
- Exports	36,83,84,453	77,37,86,701
	64,55,51,395	1,02,28,07,470
Less: Duties & Taxes	5,19,25,226	4,21,94,721
TOTAL	59,36,26,169	98,06,12,749
SCHEDULE - 11		
OTHER INCOME		
- Export Incentive	44,73,753	72,62,473
- Interest Received	5,79,844	8,55,824
- Profit on Sale of Vehicle	-	30,856
- Miscellaneous Income	12,94,041	21,77,217
TOTAL	63,47,638	1,03,26,370
SCHEDULE - 12		
MANUFACTURING EXPENSES		
CONSUMPTION		
Raw Materials	42,03,98,228	59,22,95,233
Coal & Fuel	6,70,81,045	9,60,48,004
Stores, Spares & Consumables	80,78,656	2,00,96,568
Packing Materials	60,20,123	1,26,35,180
	50,15,78,052	72,10,74,985
REPAIRS & MAINTENANCE	44,54,544	2,54,68,516
INSURANCE	10,50,470	11,52,606
OTHER MANUFACTURING EXPENSES	1,19,17,832	3,91,10,147
TOTAL	51,90,00,898	78,68,06,254



	FOR THE YEAR ENDED 31.03.2011 (₹)	FOR THE YEAR ENDED 31.03.2010 (₹)
SCHEDULE - 13		
ADMINISTRATIVE SELLING & OTHER EXPENSES		
SALARIES, WAGES AND OTHER BENEFITS	5,60,38,040	6,15,14,628
ADMINISTRATIVE SELLING & OTHER EXPENSES		
R&D Expenses	29,91,558	30,15,474
Rent, Rates & Taxes	40,21,629	17,26,043
Traveling & Conveyance	7,78,552	9,98,891
Remuneration to Auditors	5,40,500	5,52,000
Vehicle Maintenance	17,38,243	16,42,559
Postage & Telegrams	1,32,347	2,32,729
Printing & Stationery	3,35,705	3,89,438
Telephone Charges	6,39,428	6,90,290
Legal & Professional Charges	24,24,127	16,47,656
Other Expenses	38,50,191	35,96,393
Selling & Distribution Expenses	96,30,594	1,98,91,413
	2,70,82,874	3,43,82,886
TOTAL	8,31,20,914	9,58,97,514
SCHEDULE - 14		
(INCREASE)/DECREASE IN STOCKS		
OPENING STOCK		
- Finished Goods	72,25,750	1,92,38,750
- Work in Progress	1,42,37,552	1,70,40,886
	2,14,63,302	3,62,79,636
LESS: CLOSING STOCK		
- Finished Goods	1,25,62,750	72,25,750
- Work in Progress	2,12,91,507	1,42,37,552
	3,38,54,257	2,14,63,302
TOTAL	(1,23,90,955)	1,48,16,334
SCHEDULE - 15		
FINANCE CHARGES		
Interest on Working Capital Loan	98,92,969	1,42,69,463
Bank Charges	4,18,847	5,92,547
Others	14,68,075	12,09,350
TOTAL	1,17,79,891	1,60,71,360



SCHEDULE - 16

DISCLOSURE OF ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Notes annexed to and forming part of the Balance Sheet as at March 31, 2011 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) Employee Benefits

i) Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

ii) Post employment benefits (defined benefit plans)

The employee gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service costs are recognized immediately in the Profit and Loss Account.

iii) Post employment benefits (defined contribution plans)

Contributions to the provident fund which is a defined contribution scheme, are recognized as an expense in the profit and loss account in the period in which the contribution is due.

iv) Long term employee benefits

Long term employee benefits comprise of compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary using the projected unit method at each Balance Sheet date unless they are insignificant. Actuarial gains and losses and past service costs are recognized immediately in the Profit and Loss account.

As per Standing orders approved by Joint Commissioner of Labour, Guntur employee is entitled Paid leaves for 15 days for a year and unutilized balance is restricted to 120 days. The value of such leave balance eligible for carry forward, is determined by actuarial valuation and charged to revenue in the period determined. The scheme is fully funded by way of subscription to the "Leave Encashment Scheme" of Life Insurance Corporation of India.

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. Contingent Liabilities not provided for:

₹ in Lakhs

Particulars	As at	As at
	31.03.2011	31.03.2010
a. Estimated amount of Contracts remaining to be executed on Capital account and not provided for, net of advances	114.70	Nil
b. Contingent Liabilities not provided for:		
Letters of Credit	389.61	271.18
Bank Guarantees	54.35	28.86

2. Accounts of Certain Debtors, Creditors and Loans and Advances payable or receivable are subject to confirmation and reconciliation if any. However in the opinion of the Management there would not be any material impact on the Financial Statements.

3. In the opinion of the Management and to the best of their knowledge and belief the value of the realization of Current Assets, loans and advances in the ordinary course of business would not be less than the amount of which they are stated in the Balance Sheet. The provision for depreciation and for all the known liabilities is adequate and not in excess of what is required.



4. Secured Loans

The working capital facilities are secured by hypothecation of the current assets of the company and further secured by a first charge on the fixed assets of the company and are personally guaranteed by the Executive Director and one of the Director of the company.

5. Sales Tax Deferment

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 ₹ 9,18,54,000/- and ₹ 5,14,50,510/- respectively for a period of 14 years to the company in respect of chlorpyrifos plant. The sanction of ₹ 9,18,54,000/- under letter No.20/2/6/1369/ID dated 08-10-1996 has expired its utilization on 28th February, 2010. The company has commenced the repayment as per the utilization and has paid Rs.1,40,800/- utilized in 1995-96 and ₹ 1,10,188/- utilized in 1996-97. Based on the sales tax returns the sales tax deferred till 31-03-2011 amounts to ₹ 3,90,84,255/-.

6. Micro small and medium enterprises

Sundry creditors as at 31st March 2011 includes an amount of ₹ 5.93 lakhs (Previous year ₹ 11.68 lakhs) outstanding (but not overdue) to micro and small enterprises. The above disclosure is based on the information available with the company regarding the status of suppliers as defined under the Micro, Small and Medium Enterprises Development Act 2006.

7. 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.

8. 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 (upto 04.07.2010)
 - Sri D. Sadasivudu, Executive Director
- (ii) Associates
 - Nagarjuna Agrichem Limited

b) Transactions with related parties:

Particulars	2010-2011 (₹)	2009-2010 (₹)
i) Sale of Raw Materials & Finished goods :		
Nagarjuna Agrichem Limited	12,77,12,808	13,16,70,216
ii) Managerial remuneration		
Managing Director	20,47,259	36,25,860
Executive Director	20,72,366	18,24,900



9. 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	2010-2011 (₹)	2008-2010 (₹)
Profit After Tax	7,75,749	3,31,70,307
Weighted average no. of shares	50,53,700	50,53,700
Basic and diluted earning per share of ₹ 10/- each	0.15	6.56

10. The company has provided deferred tax liability/ (income) of ₹ (99,41,090) for the current year (Previous year net deferred tax liability ₹ (6,53,391/-) as per the Accounting Standard 22. Break up of deferred tax liabilities and reconciliation of current year deferred tax charge / income are given below:

Particulars	As at 31.03.2010 (₹)	CurrentYear 2010 - 2011 (₹)	As at 31.03.2011 (₹)
Deferred tax assets / (liabilities) arising on account of timing difference			
Depreciation	(4,08,14,601)	(12,32,360)	(4,20,46,961)
R & D Equipment	(29,92,250)	88,083	(29,04,167)
Unabsorbed Depreciation	-	96,35,177	96,35,177
Unabsorbed Business Loss	-	14,50,189	14,50,189
Total	(4,38,06,851)	99,41,090	(3,38,65,761)

11. Particulars of payments to the Whole Time Directors

Particulars	2010-2011 (₹)	2009-2010 (₹)
Salary	28,58,710	50,80,000
Perquisites	12,60,915	3,70,760
Total	41,19,625	54,50,760

12. Particulars of remuneration to Auditors

Particulars	2010-2011 (₹)	2009-2010 (₹)
Audit Fees	425,000	4,25,000
Tax Audit	50,000	50,000
Fees for certification & other matters	40,500	52,000
Out of pocket expenses	25,000	25,000
Total	5,40,500	5,52,000



13. Particulars of Expenditure on Research & Development

Particulars	2008-09 ₹ in lakhs	2009-2010 ₹ in Lakhs	2010-11 ₹ in lakhs
Capital	100.27	-	-
Recurring	54.47	30.15	29.92
Total	154.47	30.15	29.92
R & D Expenditure as % of Turnover	1.48	0.30	0.50

14. a) The Company uses Forward Exchange Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not enter into any such instruments for trading or speculative purpose.

Particulars	31.03.2011 (₹)	31.03.2010 (₹)
Forward Exchange Contracts :		
No.of Contracts	1	-
Type	Sell	-
US \$ Equivalent	3,35,000	-
INR Equivalent	1,58,22,050	-

- (b) The year end foreign currency exposures that have not been hedged are given below:

Purchase of Goods	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Currency	FC Amount Rupee Equivalent	Currency	FC Amount Rupee Equivalent
USD	272472.56	1,22,34,699	USD	7,01,444 3,16,63,182

15. 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

(Value ₹ in lakhs)

Product	Unit	Licenced Capacity 2010-2011	Capacity 2009-2010	*Installed Capacity 2010-2011	Capacity 2009-2010	Actual Production 2010-2011	2009-2010
Chlorpyrifos							
- Technical**MT		N.A	N.A	2500	2500	419.000	1424.972
- FormulationKL		N.A	N.A	500	500	10.000	43.500
Triclopyr							
- Technical MT		N.A	N.A	200	200	159.750	20.000
- FormulationKL		N.A	N.A	-	-	-	-
Imidacloprid							
- Technical MT		N.A	N.A	100	100	-	18.175
- FormulationKL		-	-	500	500	-	77.800
Fluroxypyr							
- Technical MT		N.A	N.A	400	400	180.000	392.000
Clodinafop							
- Technical MT		N.A	N.A	80	80	64.175	14.625
Cloquintocet Mexyl							
- Technical MT		N.A	N.A	25	25	11.150	9.850

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



Bhagiradha Chemicals & Industries Limited

II) Particulars in respect of sales and stock

A. UNIT - 1

(Value ₹ in lakhs)

Product	Unit	Opening Stock		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value
Chlorpyrifos (Technical)							
2010-2011	MT	10.750	33.33	545.050[*],[@]	1,394.10[@]	0.250	0.98
2009-2010	MT	11.750	29.38	1,404.222 [*]	4,009.36	10.750	33.33
Chlorpyrifos (Formulation)							
2010-2011	kL	-	-	10.000	18.91	-	-
2009-2010	kL	-	-	43.500	79.15	-	-
Imidacloprid (Technical)							
2010-2011	MT	-	-	-	-	-	-
2009-2010	MT	-	-	18.175 #	23.06	-	-
Imidacloprid (Formulation)							
2010-2011	kL	-	-	-	-	-	-
2009-2010	kL	-	-	77.800	268.85	-	-

* Including captive consumption of 2.00 MT (Previous Year 21.75 MT) used for formulation.

Including captive consumption of Nil MT (Previous Year 16.075) used for formulation.

@ including Trading 115.80 MT for ₹ 277.50 Lakhs (Previous Year Nil)

B. EOU - UNIT

(Value ₹ in lakhs)

Product	Unit	Opening Stock		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value
Triclopyr (Technical)							
2010-2011	MT	-	-	150.000	630.26	9.750	29.84
2009-2010	MT	-	-	20.000	83.25	-	-
Fluroxypyr (Technical)							
2010-2011	MT	-	-	175.000	2,076.69	5.000	47.65
2009-2010	MT	18.000	149.40	410.000	5,248.86	-	-
Clodinafop (Technical)							
2010-2011	MT	0.050	1.12	61.825	1,575.01	2.400	47.16
2009-2010	MT	0.375	13.61	14.950	360.23	0.050	1.12
Cloquintocet Mexyl (Technical)							
2010-2011	MT	2.750	37.81	13.900	260.02	-	-
2009-2010	MT	-	-	7.100	155.31	2.750	37.81



III) Break up of raw materials consumed

A. UNIT - 1

(Value ₹ in lakhs)

Description	2010-2011		2009-2010	
	Qty (Mts.)	Value	Qty (Mts.)	Value
Acrylonitrile	126.28	161.71	492.770	411.31
Trichloro Acetyl Chloride	408.00	256.01	1,397.000	872.58
Diethyl Thio Phosphoryl Chloride	240.50	241.64	891.750	888.25
Ethylene Dichloride	88.22	32.63	265.005	76.21
Caustic Soda lye	863.03	73.24	2,740.000	259.61
CPP (Trading)		115.80	262.780	-
Others	103.51	36.95	430.768	362.24
Total Consumption		1,064.96		2,870.20

B. EOU UNIT

Description	2010-2011		2009-2010	
	Qty (Mts.)	Value	Qty (Mts.)	Value
Penta Chloro Pyridine	245.10	682.06	490.300	1,417.75
NMP	130.16	217.61	125.136	178.45
Methyl Chloro Acetate	173.25	133.44	232.750	179.37
Others	199.17	21,05.91	2,278.802	1,277.18
Total Consumption		3,139.02		3,052.75

IV) Value of Raw Materials Consumed

A. UNIT - 1

Particulars	2010-2011		2009-2010	
	Value	% to total consumption	Value	% to total consumption
Imported	316.85	29.75	1,053.25	36.70
Indigenous	748.11	70.25	1,816.95	63.30
Total	1,064.96	100.00	2,870.20	100.00

B. EOU UNIT

Imported	1,833.55	58.41	1,835.57	60.13
Indigenous	1,305.47	41.59	1,217.18	39.87
Total	3,139.02	100.00	3,052.75	100.00

v) Value of imports on CIF Basis

Particulars	2010-2011	2009-2010
Raw Materials		
UNIT - 1	73.87	971.28
EOU UNIT	1,706.90	1,744.14
Total	1,780.77	2,715.42



vi) **Expenditure in Foreign Currency** (Value ₹ in lakhs)

Particulars	2010-2011	2009-2010
Professional charges	-	6.07
Foreign Travel	-	1.14
Sales Commission	10.08	33.52
Consumables	-	0.41
Dividend	-	0.30

vii) **Earnings in Foreign Currency**

Particulars	2010-2011	2009-2010
FOB value of exports		
UNIT - 1	670.57	1,697.42
EOU UNIT	2,909.91	5,676.30
Total	3,580.48	7,373.72

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

As per our attached report of even date

For and on behalf of the Board

For R. Kankaria & Uttam Singhi
Chartered Accountants
Firm Registration No.000442S

Uttam Kumar Singhi
Partner
Membership No.027481

D. Ranga Raju
Chairman

D. Sadasivudu
Executive Director

Place : Hyderabad
Date : 30.05.2011

K. Gopala Krishna
General Manager (Finance)

J.R. Nagajyanthi
Company Secretary



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

I. REGISTRATION DETAILS

- a) Registration No. : 01-15963
- b) State Code : 01
- c) Balance Sheet Date : 31.03.2011
- d) Corporate Identification No. : L24219AP1993PLC015963

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

- a) Total Liabilities : 665208
- b) Total Assets : 665208

Sources of Funds:

- a) Paid Up Capital : 422790
- b) Reserves & Surplus : 118685
- c) Secured Loans : 99437
- d) Un-Secured Loans : 39084
- e) Deferred Tax Liability : 33866

Application of Funds:

- a) Net Fixed Assets : 354225
- b) Investments : NIL
- c) Net Current Assets : 310983
- d) Misc. Expenditure : NIL

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

- a) Turnover : 599974
- b) Total Expenditure : 627072
- c) Profit Before Tax : (27098)
- d) Profit After Tax : 776
- e) Earning per Share(Rs.) : 0.15
- f) Dividend Rate : NIL

V. GENERIC NAME OF THE PRODUCT

Item Code No. : 38089199	Item Code No. : 38083090
Product Description : Chlorpyriphos Insecticide	Product Description : Triclopyr Weedicide
Item Code No. : 38089199	Item Code No. : 29333919
Product Description : Imidacloprid Insecticide	Product Description : Fluroxypyr Methyl Ester Intermediate Weedicide
Item Code No. : 38083050	Item Code No. : 29334900
Product Description : Clodinafop Weedicide	Product Description : Cloquintocet Mexyl

As per our attached report of even date

For and on behalf of the Board

For R. Kankaria & Uttam Singhi
Chartered Accountants
Firm Registration No.000442S

Uttam Kumar Singhi
Partner
Membership No.027481

D. Ranga Raju
Chairman

D.Sadasivudu
Executive Director

Place : Hyderabad
Date : 30.05.2011

K. Gopala Krishna
General Manager (Finance)

J.R. Nagajayanthi
Company Secretary



BHAGIRADHA CHEMICALS & INDUSTRIES LIMITED

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

PROXY FORM

Folio No. / Client ID 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 Eighteenth Annual General Meeting of the Company be held on Wednesday, the
10th day of August, 2011 at 10.30 A.M. at Hotel Green Park, Greenlands,
Ameerpet, Hyderabad - 500 016 and at any adjournment thereof.

Signed this _____ day of _____ 2011

Signed by the said _____

Note: This form duly completed should be deposited at the Registered
Office of the Company before 3.00 PM. of 8th August, 2011.

Affix
₹ 1/-
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.

Folio No. / Client ID No. _____

Name & Address _____

I hereby record my presence at the Eighteenth Annual General Meeting held at Hotel Green
Park, Greenlands, Ameerpet, Hyderabad-500 016 at 10.30 A.M. on Wednesday, the 10th
August, 2011.

Signature of the Shareholder/Proxy*

* Strike out whichever is not applicable



