

28th Annual Report

A large, stylized tree logo in a dark brown color, centered on a dark brown background. The tree has a thick trunk, a dense canopy of leaves, and a complex root system. Below the tree is the Bhaskar Agro logo, which consists of a circular emblem with a green leaf inside, flanked by two horizontal lines. Below the emblem, the words "BHASKAR" and "AGRO" are written in a bold, sans-serif font. "BHASKAR" is in blue and "AGRO" is in green, with a green underline under "AGRO".

**BHASKAR
AGRO**

BHASKAR AGROCHEMICALS LIMITED

28th ANNUAL GENERAL MEETING

Date : 24-09-2016
Time : 11-30 a.m.
Venue : Hotel Daspalla, Road No. 37,
Jubilee Hills, Hyderabad.

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BHASKAR AGROCHEMICALS LIMITED

BOARD OF DIRECTORS :	Sri P.Pattabhi Rama Rao	Managing Director
	Sri P.Praveen Kumar	Director
	Dr. Aluri Naga Uma Maheswara Prasad	Director
	Smt. P.Rajyalaxmi	Director
	Sri. S.V.S Chowdary	Independent Director
	Sri. Ch. Sudhakar	Independent Director

REGISTERED OFFICE : 25, Lal Bahadur Stadium
Hyderabad - 500 001, Telangana

ADMINISTRATION OFFICE : 29, Lal Bahadur Stadium
Hyderabad - 500 001, Telangana

CORPORATE OFFICE : 503, Riviera Apts, 6-3-347/9,
Dwarakapuri Colony, Panjagutta, Hyderabad – 500 082
Telangana. Ph : 040 - 66462082

REGISTRAR & SHARE TRANSFER AGENT (RTA) :

XI Softech Systems Ltd.
3, Sagar Society, Road No .2
Banjara Hills, Hyderabad – 500 034, Telangana.
Ph : 040 - 23545913, E.mail : xlfield@gmail.com

FACTORY : 94/1, Toophranpet,
Choutuppal Mandal,
Nalgonda Dist - 508 252,
Telangana

BANKERS : Axis Bank Limited

AUDITORS : **M/s R.Kankaria & Uttam Singhi**
Chartered Accountants
6-3-1090/C-4, Rajbhavan Road,
Hyderabad - 500 082, Telangana

NOTICE OF THE TWENTY EIGHTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of BHASKAR AGROCHEMICALS LIMITED will be held on Saturday 24th September, 2016 at 11.30 A.M at Hotel Daspalla, Road No.37, Jubilee Hills, Hyderabad 500 033 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naga Uma Maheswara Prasad Aluri, [DIN: 02970817] who retires by rotation and, being eligible, offers himself for re-appointment.
3. Appointment of Auditor
To consider and if though fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. R. Kankaria & Uttam Singhi., Chartered Accountants (Firm Registration No. 000442S), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held in the year 2017 on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**
“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S V Satyanarayana Chowdary (DIN: 07522128), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 21st May, 2016 pursuant to provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of



whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years upto 31st March, 2021.”

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. C Sudhakar (DIN: 07522130), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 21st May, 2016 pursuant to provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years upto 31st March, 2021.”

BY ORDER OF THE BOARD
BHASKAR AGROCHEMICALS LIMITED

P. PATTABHI RAMA RAO

MANAGING DIRECTOR

DIN : 00353641

Place: Hyderabad

Date: 30.05.2016

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the

- commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A Blank Proxy Form is annexed hereto.
2. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
 3. Members desiring any information with regard to Accounts / Reports are requested to write to the Company at least ten days before the Meeting to enable the Management to keep the information ready at the Meeting.
 4. A statement giving the details of the Director seeking reappointment under Item No. 2 of the accompanying Notice, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, is annexed hereto.
 5. The Register of Members and Share Transfer Books of the Company will remain closed from September 16, 2016 to September 24, 2016 (both days inclusive).
 6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's Registrar and Share Transfer Agent / Company.
 7. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes and have given positive consent to receive the Annual Report in electronic form, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 are being sent in the permitted mode.
 8. Electronic copy of the Notice of the 28th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28th AGM of the Company *inter alia* indicating the



process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business under Item Nos. 4 and 5 of the accompanying Notice are annexed hereto.

10. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Regulations, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 28th AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 28th AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Shri Ajay Kishen, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions to members for voting electronically are as under:-

(I) The voting period begins on Wednesday, September 21, 2016 at 10.00 a.m and ends on Friday, September 23, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 17, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(II) Members holding shares in physical or in demat form as on September 17, 2016, shall only be eligible for e-voting.

(III) The shareholders should log on to the e-voting website www.evotingindia.com.

(IV) Click on Shareholders.

(V) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(VI) Next enter the Image Verification as displayed and Click on Login.

(VII) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(VIII) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folionumber in the Dividend Bank details field as mentioned in instruction (v).

(IX) After entering these details appropriately, click on "SUBMIT" tab.

(X) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the newpassword field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(XI) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(XII) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(XIII) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



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- (XIV) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (XV) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (XVI) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (XVII) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (XVIII) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (XIX) Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (XX) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING [In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Naga Uma Maheswara Prasad Aluri	S V Satyanarayana Chowdary	C Sudhakar
DIN	02990335	07522128	07522130
Date of Birth	13/08/1947	03/02/1962	04/01/1960
Date of first appointment on the Board	19/04/2010	21/05/2016	21/05/2016
Qualifications	MBBS	LLB	B Com
Expertise	More than 3 decades of experience in Medical Field.	More than 2 decades of experience in in Civil, Criminal, Revenue, Arbitration, Company Law , Banking and Taxation.	More than 15 years of Rich experience in real estate and construction business.
Number of Meetings of the Board attended during the year	7	Nil	Nil
List of Directorship / Membership / Chairmanship of Committees of other Board	Nil	Nil	Nil
Shareholding in Bhaskar Agro Chemicals Limited	Nil	Nil	Nil
Relationship between directors inter-se	Nil	Nil	Nil
Terms and Conditions of appointment	As per Remuneration and Nomination Policy of the Company	As per Remuneration and Nomination Policy of the Company	As per Remuneration and Nomination Policy of the Company

ANNEXURE TO THE NOTICE OF THE ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No 4 and 5

Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar were appointed as Additional Director in the category of non-executive Independent Director of the Company under Section 161 (1) of the Companies Act, 2013 w.e.f. 21st May, 2016 hold office upto the date of this Annual General Meeting and are eligible for appointment as Director.



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The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of Rs.1 lakh signifying his intention to propose the candidature of Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar for the office of Independent Director of the Company.

The Company has received declaration from Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and also under Clause 49 of the Listing Agreement with the Stock Exchanges. Further, they have also confirmed that they are not disqualified from being appointed as Director under Section 164 of the said Act.

The Board of Directors are of the opinion that Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar, possesses relevant expertise and experience and are eligible for the position of an Independent Director of the Company and fulfils the conditions specified by the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges and that they are independent of the management of the Company. The Board considers that their association as Directors will be beneficial and in the best interest of the Company.

The Board of Directors recommend the ordinary resolution for your approval.

Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar are not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar, is concerned or interested, financially or otherwise, in this resolution.

BY ORDER OF THE BOARD
BHASKAR AGROCHEMICALS LIMITED

P. PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Place: Hyderabad
Date: 30.05.2016

DIRECTOR'S REPORT

The Directors have pleasure in presenting the 28th Annual Report of the Company, together with the financial statements, for the year ended March 31, 2016.

Financial Results

(Rs. in Lakhs)

Particulars	2015 - 16	2014 - 15
Sales	266130761	253762688
Other Income	181018	121919
Total Income	266311779	253884607
Total expenses other than interest	249077881	244250921
Profit before Depreciation	15830040	10477515
Less: Depreciation	3135716	2407860
Differed Tax	0	0
Profit (loss) for the year	15794478	10477515
Add : Profit/(Loss) b/f from earlier years	(97159202)	(107571219)
Profit/ Loss carried to Balance sheet	(81364724)	(97159202)

Company Performance

The Board of Directors are pleased to inform that the company has achieved turnover of Rs. 2661.30 Lakhs (Previous year Rs. 2537.63 Lakhs). The profit before tax for the year is Rs. 157.95 Lakhs as against the profit of Rs. 104.78 Lakhs during the preceding previous year.

Dividend

Keeping in view the future expansion plans and capital requirements of the company, the Board of Directors believe it is necessary to conserve cash flow and thereby do not recommend any dividend for the year.

Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**Setting up of New Division**

During the year under review, Company's board has approved to set up a new division under the name of "**Omni Agro Products**" which will undertake the manufacturing of Organic Fertilizers, Biological Products and Agrochemicals.

Director's Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Directors and Key Managerial Personnel

Mr. Naga Uma Maheswara Prasad Alluri, Director will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Pursuant to Section 149(1) of the Companies Act, 2013 the Board of Directors of the Company had on 21st May, 2016 appointed Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar as Additional Directors in the category of Non-Executive Independent Director. They hold office upto the date of the ensuing AGM of the Company and, being eligible, offer themselves for re-appointment.

The Board of Directors of the Company has recommended to re-appoint Mr. S V Satyanarayana Chowdary and Mr. C Sudhakar as Non-Executive Independent Directors within the meaning of Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years.

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6).

The brief resume of the Directors being appointed/ reappointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM.

The Directors recommend their appointment/re-appointment at the ensuing AGM.

Policy for selection of Directors and determining Directors' Independence

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Policy:

Qualifications and criteria

- i. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- ii. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
 - General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- iii. The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

**3. Criteria of Independence**

- i. The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- ii. The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and the Equity Listing Agreement.
- iii. The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4. Other Directorships/ Committee Memberships

- i. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- ii. A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- iii. A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- iv. A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees**1. Scope:**

This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Policy:

- i. Remuneration to Executive Director and Key Managerial Personnel
- ii. The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- iii. The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- iv. The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:
 - (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retrial benefits
 - (vi) Annual performance Bonus
- v. The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3. Remuneration to Non – Executive Directors

- i. The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.
- ii. Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

4. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Nature of business

There has been no change in the nature of business of the Company.

Auditors

M/s. R Kankaria & Uttam Singhi, were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 30th September, 2014 for a term of three consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.



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Auditors' Report

Auditors Report contains qualifications with regard to "Depreciation has not been provided on building and plant & machinery", As the Company has not used the Building and Plant & Machinery of Unit II, the depreciation has not been provided and non deposit of unclaimed dividend, company will deposit the same in current financial year.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption is attached herewith as Annexure A.

Foreign Exchange Earnings and Outgo: During the period under review there was no foreign exchange earnings or out flow.

Extract of Annual Return

The extract of Annual Return as on March 31, 2015 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as 'Annexure - B' and forms part of this Report.

Secretarial Audit

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Ajay Kishan, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure - C"

Secretarial Audit Report

Certain observations made in the report with regard to non filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent.

Number of Meetings of the Board

During the year ended March 31, 2016, Six Board Meetings were held on 24/04/2015, 17/06/2015, 15/07/2015, 14/08/2015, 01/10/2015, 13/11/2015, 12/02/2016 and 21/03/2016.

Directors' attendance record:

Name of the Director	Board Meetings held during the year	Board Meetings attended during the year
P Pattabhi Rama Rao	8	8
P Praveen Kumar	8	8
P Rajyalaxmi	8	8
Alluri Naga Uma Maheswara Rao	8	7

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

The Company has not given any loans provided guarantee of made any investments during the year 2015-2016.

Contracts or arrangements with Related Parties under Section 188(1) of the Companies Act, 2013

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and company's operations in future

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

Subsidiary Companies, Associates and Joint Venture Companies

The Company does not have any subsidiary, Associate and Joint Venture Company.

Internal Control Systems and Their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board

Industrial Relations

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.



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Business Risk Management

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

At present the company has not identified any element of risk which may threaten the existence of the company.

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2016 and May 30, 2016 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2016) and the date of the Report (May 30, 2016).

Audit Committee

- I. The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Act.
- II. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:
 - overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
 - reviewing and examination with management the quarterly financial results before submission to the Board;
 - reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
 - review management discussion and analysis of financial condition and results of operations;
 - scrutiny of inter-corporate loans and investments made by the Company;
 - reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
 - reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
 - approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
 - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;

- discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- valuating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;

III. The composition of the audit committee is given below:

Name	Category
S V SatyanarayanaChowdary	Independent, Non-Executive
C Sudhakar	Independent, Non-Executive
Naga UmaMaheswaraPrasadAluri	Non-Independent, Non-Executive

IV. No audit committee meetings were held during the year as the committee was constituted on 21st May, 2016.

Nomination and Remuneration Committee

- I. The broad terms of reference of the nomination and Remuneration Committee are as under:
- Recommend to the board the set up and composition of the board and its committees. including the *“formulation of the criteria for determining qualifications, positive attributes and independence of a director”*. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
 - Recommend to the board the appointment or reappointment of directors.
 - Devise a policy on board diversity.
 - Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
 - Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include *“formulation of criteria for evaluation of independent directors and the board”*.



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- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
- On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company
- Oversee familiarisation programmes for directors.
- Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).
- Provide guidelines for remuneration of directors on material subsidiaries.
- Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

II. The composition of the nomination and remuneration committee is given below:

Name	Category
C Sudhakar	Independent, Non-Executive
S V SatyanarayanaChowdary	Independent, Non-Executive
P Rajya Lakshmi	Non-Independent, Non-Executive

During the year, no meetings of the nomination and remuneration committee were held as the committee was constituted on 21st May, 2016.

III. The Company does not have any employee stock option scheme.

IV. Remuneration Policy

The Nomination and Remuneration Committee shall ensure that –

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

V. Details of Remuneration paid to Directors

The details of remuneration paid to the Executive and Non Executive Directors for the financial year 2015-2016 are given below:

P Praveen Kumar (Whole time director) has drawn a remuneration of Rs. 12,00,000/- for the year ended 31.03.2016 and P Pattabhi Rama Rao (Managing Director) has drawn a remuneration of Rs. 12,00,000/- for the year ended 31.03.2016.

Stakeholders Relationship Committee

- i. The Committee is responsible, inter alia, to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.,
- ii. No meeting of the stakeholders' relationship committee was held during the year
- iii. The composition of the Stakeholders' Relationship Committee is given below:

Name	Category
Naga Uma Maheswara Prasad Aluri	Non-Independent, Non-Executive
P Rajya Lakshmi	Non-Independent, Non-Executive

- iv. Name, designation and address of Compliance Officer:

P.Praveen Kumar
 Director
 503, Riviera Apts, 6-3-347/9, Dwarakapuri Colony,
 Panjagutta Hyderabad – 500 082

- v. Details of Complaints/ Requests received, resolved and pending during the Financial Year 2015-16 :

During the Quarter	Received	Resolved	Pending
0	0	0	0

Vigil mechanism

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

Formal Annual Evaluation

The Company has appointed Independent Directors on 21st May, 2016.

Corporate Governance and Shareholders Information

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is Not Applicable.

Ratio of Remuneration to each Director

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, a remuneration of Rs. 12,00,000/- is being paid to Mr. P Pattabhi Rama Rao, Managing Director of the Company and a remuneration of Rs. 12,00,000/ - is being paid to Mr. P Praveen Kumar, Executive Director of the Company.



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Particulars of Employees, related disclosures and Human Resources:

The Provisions of Section 197 (12) read with the relevant rules are not applicable to the Company during the year under review.

The Company continues its focus on retention through employee engagement initiatives and provides a holistic environment where employees get opportunities to realize their potential.

Listing Arrangement

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd., (B S E). The listing fees, for the year 2015-16 has not been paid to the Exchange.

Corporate Social Responsibility

The provisions relating to Corporate Social Responsibility are not applicable to our company.

Acknowledgements

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

**For and on behalf of the Board
for BHASKAR AGROCHEMICALS LIMITED**

Place: Hyderabad

Date: 30.05.2016

P.PRAVEEN KUMAR

DIRECTOR

(Din No. 00353720)

P.PATTABHI RAMA RAO

MANAGING DIRECTOR

(Din No. 00353641)

Annexure - A
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

A. Conservation of energy
POWER & FUEL CONSUMPTION

	Current Year Ended 31.3.2016	Previous Year Ended 31.3.2015
1 Electricity (Purchased) Units (Mwh)	165.116	141.72
Total Amount (Rs. Lakhs)	16.11	13.00
Rate per Unit (Rs)	9.76	9.18
2 Electricity (Generated) units	30.6	27.00
Diesel consumed in Liters	6800	6000
Total Amount (Rs.)	345984	371280
Rate per Unit (Rs.)	11.31	13.75
3 Total Units consumed	195.72	168.72
Units consumed in per lac production		

a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.

b) No specific investment has been made in reduction in energy consumption.

c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

B. Technology absorption

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

C. Foreign Exchange Earning and Outgo

		Current Year	Previous Year
Earnings	:	Nil	Nil
Out Go	:	Nil	Nil



**ANNEXURE - B
Form No. MGT – 9**

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016**

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS :

i) CIN	L24219TG1988PLC008331
ii) Registration Date	19.02.1988
iii) Name of the Company	BHASKAR AGRO CHEMICALS LIMITED
iv) Category / Sub-Category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v) Address of the Registered office and contact details	25, L.B. STADIUM, HYDERABAD – 500 001 TELANGANA. PHONE NO: 040-65535789
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	XL SOFTECH SYSTEMS LIMITED PLOT NO.3, SAGAR SOCIETY,BANJARAHILLS, HYDERABAD-500 034.TEL. (040) 23545913

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	MANUFACTURE OF AGROCHEMICAL PRODUCTS	99611720	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
—	—	—	—	—	—

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2015)				No. of Shares held at the end of the year (as on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	2794767	212953	3007720	57.74	2794767	212953	3007720	57.74	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp	208594	—	208594	4.00	208594	—	208594	4.00	—
e) Banks / FI's	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub Total (A) (1)	3003361	212953	3216314	61.74	3003361	212953	3216314	61.74	—
(2) Foreign	—	—	—	—	—	—	—	—	—
a) NRI-Individuals	—	—	—	—	—	—	—	—	—
b) Other-Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter (A)=(A)(1) +(A)(2)	3003361	212953	3216314	61.74	3003361	212953	3216314	61.74	—
B. PUBLIC SHARE HOLDING									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	200	200	0.003	—	200	200	0.003	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—



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f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
i) Others	—	—	—	—	—	—	—	—	—
Sub Total (B) (1)	—	200	200	0.003	—	200	200	0.003	—
2. Non Institutions									
a) Bodies Corporate	—	—	—	—	—	—	—	—	—
i) Indian	22740	11600	34340	0.66	22740	11600	34340	0.66	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	277365	1560448	1837813	35.28	277365	1560448	1837813	35.28	—
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	—	34000	34000	0.65	—	34000	34000	0.65	—
c) Others - NRI	2000	84966	86966	1.67	2000	84966	86966	2000	—
Sub Total (B) (2)	302105	1691014	1993119	38.26	302105	1691014	1993119	38.26	—
Total Public Shareholding (B) = (B)(1) +(B)(2)	302105	1691214	1993319	38.26	302105	1691214	1993319	38.26	—
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	—	—	—	—	—	—	—	—	—
GRAND TOTAL (A+B+C)	3305466	1904167	5209633	100	3305466	1904167	5209633	100	—

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2015)			Share holding at the end of the year (as on 31-03-2016)			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	POSANI BHASKAR RAO & CO (P. PATTABHI RAMA RAO)	878833	16.87	—	878833	16.87	—	—
2	P RAJYA LAKSHMI	456749	8.77	—	456749	8.77	—	—
3	C SAI SUDHA	359454	6.90	—	359454	6.90	—	—
4	P DURGAMBA	311780	5.98	—	311780	5.98	—	—
5	P PRAVEEN KUMAR	267354	5.13	—	267354	5.13	—	—
6	P SANTHI	213654	4.10	—	213654	4.10	—	—
7	POSANI FERTILISERS LIMITED	208594	4.00	—	208594	4.00	—	—
8	P PATTABHI RAMA RAO	208057	3.99	—	208057	3.99	—	—
9	P BHASKARA RAO	311839	5.99	—	311839	5.99	—	—
	Total	3216314	61.74	—	3216314	61.74	—	—

(iii) Change in Promoters' Shareholding (Please specify, if there is no change) – No Change

Sl.No.		Shareholding at the beginning of the year (as on 01-04-2015)		Cumulative Shareholding during the year (01-04-2015 – 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	There is no change in Promoters' Shareholding between 01-04-2015 to 31-03-2016			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year				

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRS):

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	RAGHAVA RAO POLAVARAPU	66666	1.28	—	—	—	66666	1.28
2	MURALI KRISHNA PRASAD DIVI	34000	0.65	—	—	—	34000	0.65
3	R VINODKHANNA	16900	0.32	—	—	—	16900	0.32
4	RITA K JETHANI	15400	0.30	—	—	—	15400	0.30
5	MURALIDHAR B JETHANI	13500	0.26	—	—	—	13500	0.26
6	MAZRAA FINANCE AND INVESTMENT PRIVATE LIMITED	13340	0.26	—	—	—	13340	0.26
7	SUMMAN R JETHANI	13200	0.25	—	—	—	13200	0.25
8	JAIWANTI M JETHANI	13100	0.25	—	—	—	13100	0.25
9	RAMESH M JETHANI	13100	0.25	—	—	—	13100	0.25
10	KRISHANKUMAR M JETHANI	12000	0.23	—	—	—	12000	0.23
	TOTAL	211206	4.05				211206	4.05

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.No.		Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
	A Directors							
1	P. PATTABHI RAMA RAO	208057	3.99	—	—	—	208057	3.99
2	P. PRAVEEN KUMAR	267354	5.13	—	—	—	267354	5.13
3	RAJYA LAKSHMI POSANI	456749	8.77	—	—	—	456749	8.77
4	NAGA UMA MAHESWARA PRASAD ALURI	—	—	—	—	—	—	—
	B. Key Managerial Personnel							
		—	—	—	—	—	—	—

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2304175	25348740	—	27652915
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	2304175	25348740	—	27652915
Change in Indebtedness during the financial year				
Addition	39154529	1715000	—	408695929
Reduction	1379693	—		1379693
Net Change	37774836	1715000	—	39489836
Indebtedness at the end of the financial year				
i) Principal Amount	40079011	27063740	—	67142751
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	40079011	27063740	—	67142751

VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		P PATTABHI RAMA RAO	PRAVEEN KUMAR	—	—	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	12,00,000	—	—	24,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission	—	—	—	—	—
	as % of profit	—	—	—	—	—
	others, specify.....	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	Total (A)	12,00,000	12,00,000	—	—	24,00,000
	Ceiling as per the Act					



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B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
		—	—	—	—	
1	<ul style="list-style-type: none"> • Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify 	NIL				
	Total (1)					
2	<ul style="list-style-type: none"> • Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify 					
	Total (2)					
	Total (B) = (1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO	—	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL				
2.	Stock Option					
3.	Sweat Equity					
4.	Commission -- as % of profit -- others, specify.....					
5.	Others, please specify					
	Total					

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority(RD /NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—



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ANNEXURE - C SECRETARIAL AUDIT REPORT For The Financial Year Ended On 31st March, 2016

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Bhaskar Agro Chemicals Limited
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bhaskar Agro Chemicals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, i hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bhaskar Agro Chemicals Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Not applicable to the company during the Audit period].
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Since the shares of the Company are suspended by the

Bombay Stock Exchange, the Company has not submitted the necessary disclosures are required under the regulations.

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; Since the shares of the Company are suspended by the Bombay Stock Exchange, the Company has not submitted the necessary disclosures are required under the regulations.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable to the company during the Audit period]

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the company during the Audit period].

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable to the company during the Audit period].

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable to the company during the Audit period] and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the company during the Audit period].

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:

1. Factories Act, 1948.
2. Industrial Disputes Act, 1947.
3. Payment of Wages Act, 1936
4. Minimum Wages Act, 1948.
5. Employees PF and Miscellaneous Provisions Act, 1952.
6. Payment of Bonus Act, 1965.
7. Payment of Gratuity, 1972.
8. Employment Exchange [Compulsory Notification of Vacancies] Act, 1959.
9. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975
10. The Air (Prevention and Control of Pollution) Act, 1981
11. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
12. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
13. The Insecticides Act, 1968 and rules made thereunder.
14. Fertilizer Control (Order).



BHASKAR AGROCHEMICALS LIMITED

I / We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

- 1. The Bombay Stock Exchange has suspended trading of company's shares and hence company has not complied with any of the clauses specified in the Listing Agreement.*
- 2. The Company has accumulated losses hence the company has not appointed Independent Directors and has not constituted sub committees as stipulated in the Companies Act, 2013.*
- 3. The Company has sent Annual Reports to Shareholders belonging to the promoter group but has not posted Annual Reports to other Shareholders and has not complied with the provisions of Section 108 of the Companies Act, 2013 with respect to voting through electronic means.*

I further report that,

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Ajay Kishen
Practicing Company Secretary
FCS: 6298 CP: 5146

Place: Hyderabad
Date:30/05/2016

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
Bhaskar Agro Chemicals Limited
Hyderabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 30/05/2016

Ajay Kishen
Practicing Company Secretary
FCS: 6298 CP: 5146

**DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR
MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

The shareholders

I, P Pattabhi Rama Rao, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

**FOR AND ON BEHALF OF THE BOARD
BHASKAR AGROCHEMICALS LIMITED**

Place: Hyderabad
Date: 30.05.2016

P. PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641



BHASKAR AGROCHEMICALS LIMITED

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. Bhaskar Agro Chemicals Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Place : Hyderabad
Date : 30/05/2016

C Sudhakar
(Independent director)

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. Bhaskar Agro Chemicals Limited

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

- (i) the statutory audit firm or the internal audit firm that is associated with the Company and
- (ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Place : Hyderabad
Date : 30/05/2016

S V Satyanarayana Chowdary
(Independent director)



BHASKAR AGROCHEMICALS LIMITED

Independent Auditor's Report

**To the Members of
Bhaskar Agro Chemicals Limited
Report on the Financial Statement**

We have audited the accompanying financial statements of **Bhaskar Agro Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility For the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified Under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has a place an adequate financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

The company has not provided depreciation on building and Plant & Machinery relating to Unit-II in the books of account of the company as the Unit-II is closed.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the basis for Qualified opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31-03-2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 of the Companies Act, 2013; and
- f) With respect to the adequacy of Internal Financial Controls over Financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B"
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information & according to the explanations given to us:
- i). The Company does not have any pending litigations as at 31.03.2016 which would impact its financial position.



- ii. The Company did not have any long term contracts including derivative contracts as at 31.03.2016 for which there were any material foreseeable losses.
- iii. *The company has not deposited the amount of Rs. 3,12,259/- pertaining to years 1994-95 & earlier period, required to be transferred, to the investors education and protection fund.*

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

**Uttam Kumar Singhi
Partner
Membership No. 027481/ICAI.**

**Place: Hyderabad
Date: 30-05-2016**

ANNEXURE "A" TO THE AUDITORS' REPORT

Referred to in paragraph 1 under the head "Report on other legal & regulatory requirements" 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 been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. As per the documents verified by us and explanation given to us, all the Title Deeds of immovable properties are held in the name of the company.
- ii). The inventory has been physically verified during the year by the management in our opinion, the frequency of verification is reasonable. No material iscrepancies have been noticed on physical verification of stocks as compared to book records.
- iii). The company has not granted any loans secured or unsecured, to companies, firms, Limited Liability Partnership or other parties who are covered in the register maintained under section 189 of Companies Act, 2013, accordingly Clause (iii,a),(iii, b) and (iii,c) of Paragraph 3 of the Order are not applicable.
- iv) According to the information and explanations given to us, the Company has not granted any loans, guarantees and security and made investments, as per section 185 & 186 of the Companies Act, 2013
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and as per the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under .
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the company.

- vii) (a) According to the information & explanations given to us, none of the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other Statutory Dues were outstanding as at last day of the financial year concerned for a period of more than six months.
- (b) According to the information & explanations given to us, there is no due in respect of disputed amount to be deposited in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax as on 31st March, 2016.
- viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to the financial institutions, bank, government or dues to debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The Term loan raised from Axis Bank during the year has been applied for the purpose for which it is raised.
- x) According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us, the Company has paid and provided managerial remuneration during the year as per the provisions of Section 197 read with Schedule V to the Companies Act.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us, all transactions with the related party are in compliance with section 177 & 188 of Companies Act, 2013 and the same has been disclosed in financial statements as required by the Accounting Standards.
- xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us, the company has not entered into Non Cash Transactions with directors or persons connected with him during the year.
- xvi) According to the information and explanations given to us, company is not required to be registered under section 45-IA of Reserve Bank Of India.

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

Place: Hyderabad
Date : 30-05-2016

**Uttam Kumar Singhi
Partner
Membership No. 027481/ICAI.**



Reports on Internal Financial Controls Over Financial Reporting

Annexure “B” to the Independent Auditor’s Report of even date on the Financial Statements of Bhaskar Agro Chemicals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Bhaskar Agro Chemicals Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Uttam Kumar Singhi
Partner
Membership No. 027481/ICAI.**

Place: Hyderabad
Date:30.05.2016



BHASKAR AGROCHEMICALS LIMITED

BALANCE SHEET AS AT 31-03-2016			(Amount of Rs.)		
Particulars	Note No	31st March, 2016		31st March, 2015	
		Rupees	Rupees	Rupees	Rupees
<u>EQUITY AND LIABILITIES</u>					
SHAREHOLDER'S FUND					
a) Share Capital	1	8,44,80,330		8,44,80,330	
b) Reserves & Surplus	2	<u>-1,88,21,525</u>		<u>-3,46,16,003</u>	
			6,56,58,805		4,98,64,327
NON-CURRENT LIABILITIES					
Long-term borrowings	3	4,43,46,355		2,49,83,225	
Other Long term liabilities	4	5,91,000		19,26,087	
Long term provisions	5	<u>17,54,238</u>		<u>1,62,216</u>	
			4,66,91,593		2,70,71,528
CURRENT LIABILITIES					
Short-term borrowings	6	1,59,80,733		12,90,000	
Trade payables	7	2,08,66,013		3,63,93,642	
Other current liabilities	8	3,43,88,934		2,35,88,094	
Short-term provisions	9	<u>4,52,092</u>		<u>0</u>	
			7,16,87,772		6,12,71,736
Total			18,40,38,170		13,82,07,591
<u>ASSETS</u>					
NON-CURRENT ASSETS					
Fixed assets					
Tangible assets	10	8,95,82,459		8,98,02,759	
Capital work-in-progress		<u>3,77,83,413</u>		<u>0</u>	
		12,73,65,872		8,98,02,759	
Long term loans and advances	11	<u>61,62,380</u>		<u>7,33,794</u>	
			13,35,28,252		9,05,36,553
CURRENT ASSETS					
Inventories	12	4,06,49,834		4,10,52,984	
Trade receivables	13	78,36,503		48,19,091	
Cash and cash equivalents	14	68,967		1,67,006	
Short-term loans and advances	15	<u>19,54,614</u>		<u>16,31,957</u>	
			5,05,09,918		4,76,71,038
Total			18,40,38,170		13,82,07,591
Accounting policies & Notes to Accounts 24					
The accompanying notes are an integral part of these financial statements As per our report of even date attached.					
for R. KANKARIA & UTTAM SINGHI Chartered Accountants Firm Regi. No. 000442S		For and on behalf of the Board for BHASKAR AGROCHEMICALS LIMITED			
UTTAM KUMAR SINGHI Partner M.No. 027481/ICAI Place : Hyderabad Date : 30.05.2016		P.PRAVEEN KUMAR DIRECTOR DIN : 00353720		P.PATTABHI RAMA RAO MANAGING DIRECTOR DIN : 00353641	

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-3-2016		(Amount of Rs.)	
Particulars	Note No.	31st March, 2016 Rupees	31st March, 2015 Rupees
CONTINUING OPERATIONS			
Revenue from Operations			
Sales Revenue (Gross)	16	31,53,01,831	29,54,97,013
Less : Excise Duty		4,75,21,542	4,08,34,495
Less : Vat		99,82,382	90,13,923
Less : CST		<u>20,33,685</u>	<u>20,84,017</u>
		25,57,64,222	24,35,64,578
Job Work Charges		1,03,66,539	1,01,98,110
other Income	17	1,81,018	1,21,919
Total Revenue		<u>26,63,11,779</u>	<u>25,38,84,607</u>
Expenses			
Cost of materials consumed	18	19,72,67,286	20,47,80,572
Changes in inventories	19	44,70,669	(5,15,119)
Employee benefit expenses	20	1,20,74,318	86,48,507
Finance costs	21	16,32,814	2,60,719
Deprn. and amortization expenses	10	31,35,716	24,07,860
Other expenses	22	3,19,00,936	2,89,07,494
Total Expenses		<u>25,04,81,739</u>	<u>24,44,90,033</u>
Profit before extraordinary items and tax		1,58,30,040	93,94,574
Extraordinary Items	23	<u>0</u>	<u>-10,82,941</u>
Profit before tax		1,58,30,040	1,04,77,515
Tax expense :			
Current Tax		0	0
Deferred tax		0	0
Excess/short provision of earlier years		<u>35,562</u>	<u>0</u>
		35,562	0
Profit/(Loss)from the period from continuing operations		<u>1,57,94,478</u>	<u>1,04,77,515</u>
Profit/(Loss) for the period		<u>1,57,94,478</u>	<u>1,04,77,515</u>
Earning per equity share Basic and diluted		3.03	2.01
Accounting policies & Notes to Accounts	24		
The accompanying notes are an integral part of these financial statements. As per our report of even date attached.			
for R. KANKARIA & UTTAM SINGHI Chartered Accountants Firm Regi. No. 000442S		For and on behalf of the Board for BHASKAR AGROCHEMICALS LIMITED	
UTTAM KUMAR SINGHI Partner M.No. 027481/ICAI	P.PRAVEEN KUMAR DIRECTOR DIN : 00353720	P.PATTABHI RAMA RAO MANAGING DIRECTOR DIN : 00353641	
Place : Hyderabad Date : 30.05.2016			



BHASKAR AGROCHEMICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit after tax and extraordinary items	1,57,94,478	1,04,77,515
Adjustments for depreciation	31,35,716	24,07,860
Interest	16,32,814	2,60,719
Preliminary expenses written off	0	0
Profit/loss on sale of fixed assets	0	1,81,314
Operating profit before working capital charges	2,05,63,008	1,33,27,408
Adjustments for trade and other receivables	-87,68,655	-43,22,647
Inventories	4,03,150	13,65,779
Trade payables	-40,17,762	60,98,700
Cash generated from operations	81,79,741	1,64,69,240
Interest paid	82,701	68,397
Direct taxes paid	0	0
Cash flow after extraordinary Items	80,97,040	1,64,00,843
Net cash from operating activities	80,97,040	1,64,00,843
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of fixed assets	-4,06,98,829	-1,05,99,741
Advances received towards sale of fixed assets	0	0
Sale of fixed assets	0	4,00,000
Purchase of investments	0	0
Interest Paid	-15,50,113	-1,92,322
Net cash used in investing activities	-4,22,48,942	-1,03,92,063
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceed from issue of share capital	0	0
Investments subsidy received	0	0
proceed from long term borrowings	3,40,53,863	-58,86,401
Principle waiver of Loans	0	0
Dividend paid	0	0
Net cash used in financing activities	3,40,53,863	-58,86,401
Net increase in cash and cash equivalents	-98,039	1,22,379
Cash and cash equivalents as at opening balance	1,67,006	44,628
Cash and cash equivalents as at closing balance	68,967	1,67,006

a) The Comparative figures for the previous year have been re-arranged to conform with the revised presentation of the accounts

b) The above cash flow statement has been prepared using the 'indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

for **R.KANKARAIA & UTTAM SINGHI**
Chartered Accountants
Firm Reg. No.: 000442S

UTTAM KUMAR SINGHI
PARTNER
Member ship No. 027481 / ICAI

For and on behalf of the Board
For **BHASKAR AGROCHEMICALS LIMITED**

P.PRAVEEN KUMAR
DIRECTOR
DIN : 00353720

P.PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Place : Hyderabad
Date : 30.05.2016

**Notes forming part of Financial Statements
for the year ended 31st March, 2016**

1. SHARE CAPITAL	31st March, 2016		31st March, 2015	
	Rupees	Rupees	Rupees	Rupees
Authorised Capital				
60,00,000 Equity Shares of Rs. 10/- each with voting Rights		6,00,00,000		6,00,00,000
3,25,000 Redeemable Non convertible Preference Shares of Rs.100/- each		<u>3,25,00,000</u>		<u>3,25,00,000</u>
ISSUED, SUBSCRIBED				
52,09,633 Equity Shares of Rs. 10/- each with Voting Rights		5,20,96,330		5,20,96,330
3,25,000 Redeemable Non convertible Preference Shares of Rs.100/- each		<u>3,25,00,000</u>		<u>3,25,00,000</u>
PAID UP				
52,09,633 Equity Shares of Rs. 10/- each with Voting Rights	5,20,96,330		5,20,96,330	
Less : Allotment money due by others	<u>1,16,000</u>	5,19,80,330	<u>1,16,000</u>	5,19,80,330
3,25,000 Redeemable Non convertible Preference Shares of Rs.100/- each		<u>3,25,00,000</u>		<u>3,25,00,000</u>
		<u>8,44,80,330</u>		<u>8,44,80,330</u>

1.1 Reconciliation of No. of shares and amount outstanding at the beginning and at the end of reporting period.

PARTICULARS	31st March, 2016		31st March, 2015	
	No of shares	Rupees	No of shares	Rupees
Preference shares fully paid up				
Opening Balance	3,25,000	3,25,00,000	3,25,000	3,25,00,000
Fresh Issue	0	0	0	0
Closing Balance	<u>3,25,000</u>	<u>3,25,00,000</u>	3,25,000	3,25,00,000



BHASKAR AGROCHEMICALS LIMITED

NOTES TO THE ACCOUNTS

1.2 Details of shares held by each shareholder holding more than 5% shares

Class of shares / name of shareholders	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Equity shares with Voting rights				
Posani Bhaskar Rao & Co(P.Pattabhi Rama Rao)	8,78,833	16.87%	8,78,833	16.87%
P. Rajya Laxmi	4,04,783	7.77%	4,04,783	7.77%
C. Sai Sudha	3,59,454	6.90%	3,59,454	6.90%
P. Durgamba	3,11,680	5.98%	3,11,680	5.98%
P. Praveen Kumar	2,67,354	5.13%	2,67,354	5.13%
Preference Shares				
B & P Industries Ltd.	2,50,000	76.92%	2,50,000	76.92%
Cosmic Agro Chemicals Ltd.	75,000	23.08%	75,000	23.08%

2. RESERVES AND SURPLUS	31st March, 2016		31st March, 2015	
	Rupees	Rupees	Rupees	Rupees
Capital Reserve		4,73,81,660		4,73,81,660
Securities Premium reserve	1,52,19,539		1,52,19,539	
Less : Securities premium due	<u>58,000</u>	1,51,61,539	<u>58,000</u>	1,51,61,539
Surplus -Profit & Loss Account				
Opening Balance	-9,71,59,202		-10,75,71,219	
Add: Profit for the year	1,57,94,478		1,04,77,515	
Less: Depreciation	<u>0</u>		<u>65,498</u>	
Closing Balance		<u>-8,13,64,724</u>		<u>-9,71,59,202</u>
Total		<u>-1,88,21,525</u>		<u>-3,46,16,003</u>

3. LONG TERM BORROWINGS	31st March, 2016		31st March, 2015	
	Rupees	Rupees	Rupees	Rupees
Axix Bank Term Loan Secured		1,92,59,266		0
Vehicle Term loan - Secured				
Alphera Financial Services	2,94,209		6,52,183	
Alphera Financial Services(New)	7,34,140		0	
Daimler Financial Services India Pvt Ltd.	<u>0</u>		<u>2,72,302</u>	
		10,28,349		9,24,485
Intercorporate deposits-Unsecured				
Cosmic Agro Chemicals	1,06,91,000		1,06,91,000	
B & P Industries Ltd.	21,64,315		21,64,315	
Navayuga Engg. Co. Ltd.	<u>1,12,03,425</u>		<u>1,12,03,425</u>	
		2,40,58,740		2,45,58,740
Total		<u>4,43,46,355</u>		<u>2,49,83,225</u>

NOTES TO THE ACCOUNTS

3.1 Vehicle loan is secured against the vehicle financed

3.2 The Term Loan from Axix Bank Ltd. is secured by First charge on entire assets created out of proposed term loan and fresh Equitable mortgage on industrial land and building admeasuring 4.68 acres of company situated at Choutuppal Mandal, Nalgonda District and personal guarantee of Mr. P. Pattabhi Rama Rao, Managing Director of the company, Mr. Praveen Kumar Director, Smt P. Rajyalakshmi director and Mr. A.N.U.M. Prasad, Director

3.3 Terms of repayemnt of Term Loans :

Bank	Rate of Interest%	Balance as on 31.03.2016	No of Instalemnts	Commencing from
Axis Bank	Base Rate +4.15%	2,50,37,038	54	February, 2016

4. OTHER LONG TERM LIABILITIES	31st March, 2016 Rupees	31st March, 2015 Rupees
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Others		
Dealership Deposits	5,91,000	4,11,000
Electricity charges payable	0	15,15,087
Total	<u>5,91,000</u>	<u>19,26,087</u>

5. LONG TERM PROVISIONS	31st March, 2016 Rupees	31st March, 2015 Rupees
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Provisions for employees benefits		
Gratuity payable	17,54,238	1,62,216
Total	<u>17,54,238</u>	<u>1,62,216</u>

6. SHORT TERM BORROWINGS	31st March, 2016 Rupees	31st March, 2015 Rupees
---------------------------------	------------------------------------	------------------------------------

Loan Repayable on Demand -Unsecured		
Axis Bank CC A/C	1,29,75,733	0
Loan Repayable on Demand -Unsecured		
From Directors	30,05,000	12,90,000
Total	<u>1,59,80,733</u>	<u>12,90,000</u>



BHASKAR AGROCHEMICALS LIMITED

NOTES TO THE ACCOUNTS

6.1 The Working capital facilities are secured by Exclusive charge of entire current assets and movable fixed assets (other than vehicles of the Company, both present and future, and fresh Equitable mortgage on industrial land and building admeasuring 4.68 acres of company situated at Choutuppal Mandal, Nalgonda District and personal guarantee of Mr. P. Pattabhi Rama Rao, Managing Director of the company, Mr. Praveen Kumar Director, Smt P. Rajyalakshmi director and Mr. A.N.U.M. Prasad, Director

7. TRADE PAYABLE	31st March, 2016	31st March, 2015
Trade Payable - Raw Material	1,83,82,472	3,38,61,060
Trade Payable - Expenses	24,83,541	25,32,582
Total	<u>2,08,66,013</u>	<u>3,63,93,642</u>

7.1 Balances of trade payables are subject to confirmation. However in the opinion of the management there would not be any material impact on the Financial Statements.

7.2 The company has not received from suppliers regarding their status under the Micro, Small & Medium Enterprises Act, 2006 & hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.

8. OTHER CURRENT LIABILITIES	31st March, 2016	31st March, 2015
Other Liabilities for capital goods	0	8,31,582
Other Liabilities - Statutory Remittances	5,48,907	2,19,129
Deferred payment liability - APGST/CST	0	11,98,346
Advance from Customers	2,67,12,105	1,96,47,088
Dividend - Unpaid	3,12,259	3,12,259
Current Maturities of Long Term Loan-Debit	68,15,663	13,79,690
Total	<u>3,43,88,934</u>	<u>2,35,88,094</u>

8.1. The Unpaid dividend pertains to 1994-1995 of Rs.1,20,890/- and for other earlier period aggregating to Rs. 1,91,369/- is withdrawn from Union bank of India (Unpaid dividend Account), the same is withdrawn and utilized by the company.

8.2. Balances are subject to confirmation. However in the opinion of the management there would not be any material impact on the Financial Statements.

9. SHORT TERM PROVISIONS	31st March, 2016	31st March, 2015
Provision for Expenses	4,52,092	0
Total	<u>4,52,092</u>	<u>0</u>

NOTES TO THE ACCOUNTS

10. Fixed Assets

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	USEFUL LIFE (YEARS)	BALANCE AS AT 01.04.2015	ADDITIONS DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AS AT 31.03.2016	BALANCE AS AT 01.04.2015	EXPENSE FOR THE YEAR	ELEMINATED ON DISPOSAL OF ASSETS	BALANCE AS AT 31.03.2016	BALANCE AS AT 31.03.2015
A. Tangible Assets										
Free hold land	--	1439685	0	0	1439685	0	0	0	0	1439685
Buildings	30	77796974	0	0	77796974	21680995	690269	0	22371264	55425710
Plant and Equipments	15	48733170	0	0	48733170	21660908	1340474	0	23001382	25731788
Electrical Fittings	10	186040	0	0	186040	39979	19981	0	59960	126080
Computers	3	602563	77143	0	679706	529639	64363	0	594002	85704
Furniture & Fixtures	10	2115704	1262893	0	3378597	1929740	101227	0	2030967	1347630
Vehicles	8	5775915	1575380	0	7351295	1006031	919402	0	1925433	5425862
Total		136650051	2915416	0	139565467	46847292	3135716	0	49983008	89582459
Previous Year's Figures		124057511	13242540	650000	136650051	44442620	2473358	68686	46847292	89802759
B CAPITAL WORK IN PROGRESS										
Buildings- WIP		0	11787457	0	11787457	0	0	0	0	11787457
Electrical Fittings- WIP		0	1539651	0	1539651	0	0	0	0	1539651
Plant and Equipment-WIP		0	21171426	0	21171426	0	0	0	0	21171426
Pre-Operative Expenses		0	3284879	0	3284879	0	0	0	0	3284879
Total		0	37783413	0	37783413	0	0	0	0	37783413
Previous Year's Figures		2642799	0	2642799	0	0	0	0	0	0
GRAND TOTAL		136650051	40698829	0	177348880	46847292	3135716	0	49983008	127365872

**BHASKAR AGROCHEMICALS LIMITED****NOTES TO THE ACCOUNTS**

11. LONG TERM LOANS & ADVANCES	31st March, 2016 Rupees	31st March, 2015 Rupees
Unsecured considered Goods		
Advance towards capital purchases	56,55,031	2,40,445
Security Deposits	5,07,349	4,93,349
Total	<u>61,62,380</u>	<u>7,33,794</u>

11.1 Capital advances are subject to confirmation.

12. INVENTORIES	31st March, 2016 Rupees	31st March, 2015 Rupees
Raw Materials	2,20,67,568	2,07,75,953
Packing Material	1,38,83,516	1,11,07,612
Work-in-Progress	19,68,226	0
Finished Goods	27,30,524	91,69,419
	<u>4,06,49,834</u>	<u>4,10,52,984</u>

12.1 Mode of Valuation of Inventories - Cost or net realisable value whichever is lower.

13. TRADE RECEIVABLES	31st March, 2016 Rupees	31st March, 2015 Rupees
Unsecured considered Good :		
Outstanding for period exceeding six months	0	0
Others	78,36,503	48,19,091
Total	<u>78,36,503</u>	<u>48,19,091</u>

13.1 In the opinion of the Board and to the best of their information and belief, the value on realisation of sundry debtors, would not be less than the amount at which they are stated in the Balance Sheet, except to the extent considered doubtful and not provided for.

NOTES TO THE ACCOUNTS				
14. Cash & Cash Equivalents	31st March, 2016		31st March, 2015	
	Rupees		Rupees	
Cash on hand	36,920		35,011	
(Cash is certified by the management)				
Balances with scheduled banks				
In Current Account	<u>32,047</u>		<u>1,31,995</u>	
Total	<u>68,967</u>		<u>1,67,006</u>	
15. Short Term Loans & Advances	31st March, 2016		31st March, 2015	
	Rupees	Rupees	Rupees	Rupees
Unsecured, Considered Good				
Balances with revenue authorities				
Vat Receivable	0		8,91,395	
Cenvat Credit Receivable	11,84,297		69,967	
Balance in PLA	31,475		2,389	
Income Tax Refund receivable	4,11,298		6,02,748	
Service Tax Credit Receivable	<u>1,76,574</u>		<u>25,675</u>	
		18,03,644		15,92,174
Sundry Advances		<u>1,50,970</u>		<u>39,783</u>
Total		<u>19,54,614</u>		<u>16,31,957</u>
16. Sales Revenue	31st March, 2016		31st March, 2015	
	Rupees	Rupees	Rupees	Rupees
Sales Revenue (Gross)- Domestic	31,53,01,831		29,54,97,013	
Less : Excise Duty	4,75,21,542		4,08,34,495	
Less : VAT	99,82,382		90,13,923	
Less : CST	<u>20,33,685</u>		<u>20,84,017</u>	
		25,57,64,222		24,35,64,578
Jobwork Income		<u>1,03,66,539</u>		<u>1,01,98,110</u>
Total		<u>26,61,30,761</u>		<u>25,37,62,688</u>
17. Other Income	31st March, 2016		31st March, 2015	
	Rupees	Rupees	Rupees	Rupees
Rent Received		1,20,000		1,20,000
Interest		61,018		1,907
Balances written off		0		12
Total		<u>1,81,018</u>		<u>1,21,919</u>



BHASKAR AGROCHEMICALS LIMITED

NOTES TO THE ACCOUNTS

18. Cost of Material Consumed	31st March, 2016	31st March, 2015
Opening Stock	2,07,75,953	1,82,09,938
Add: Purchase	19,85,58,901	20,73,46,587
	<u>21,93,34,854</u>	<u>22,55,56,525</u>
Less: Closing Stock	2,20,67,568	2,07,75,953
	<u>19,72,67,286</u>	<u>20,47,80,572</u>
Total	<u>19,72,67,286</u>	<u>20,47,80,572</u>

19. Change in Inventories	31st March, 2016	31st March, 2015
Opening Stock		
Work-in-Progress	0	0
Finished goods	91,69,419	86,54,300
Closing Stock	91,69,419	86,54,300
Work in Progress	19,68,226	0
Finished goods	27,30,524	91,69,419
Variance in Stocks	<u>44,70,669</u>	<u>(5,15,119)</u>

20. Employees Benefit Expenses	31st March, 2016	31st March, 2015
Wages	8,18,843	7,75,197
Salaries	61,96,677	48,76,642
Gratuity	15,92,022	0
Directors Remuneration	24,00,000	24,00,000
Contribution to EPF	3,21,466	2,67,522
Staff Welfare expenses	3,32,650	3,29,146
Bonus	1,95,512	
Leave Encashment	2,17,148	
Total	<u>1,20,74,318</u>	<u>86,48,507</u>

21. Financial Costs	31st March, 2016	31st March, 2015
Interest on Working Capital	11,77,689	0
Intrest on Vehicles	2,12,386	1,92,322
Interest on Others	0	22
Intrest on Excise	0	41,809
Intrest on TDS	13,783	4,959
Processing Charges	1,60,038	0
Bank Charges	68,918	21,607
Total	<u>16,32,814</u>	<u>2,60,719</u>

NOTES TO THE ACCOUNTS

22. OTHER EXPENSES	31st March, 2016 Rupees	31st March, 2015 Rupees
MANUFACTURING EXPENSES		
Consumption of packing material	2,04,39,355	1,86,95,998
Power and Fuel	19,58,092	17,62,497
Freight Expenses	24,61,956	16,70,274
Factory maintenance	4,46,314	6,22,384
Water Charges	5,39,516	3,62,197
Lab Maintenance	3,56,257	3,03,912
Repairs & Maintenance		
Buildings	3,40,148	4,72,805
Plant and machinery	8,49,516	8,76,308
Others	<u>6,06,641</u>	<u>4,60,552</u>
	17,96,305	18,09,665
Insurance	2,77,186	2,02,496
Green Belt maintenance	<u>12,990</u>	<u>24,950</u>
	2,82,87,971	2,54,54,373
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent	8,10,052	8,43,408
Rates & Taxes	1,22,014	94,109
Travelling & Conveyance	8,66,275	4,11,449
Auditors Remuneration	1,75,000	1,75,000
Cost Audit Fee	0	25,000
Professional Fees	81,167	1,50,431
Vehicle Maintenance	3,91,021	4,05,703
Postage, Telephones & Telegrams	2,69,391	2,30,564
Printing & Stationery	1,19,917	1,24,123
Office Electricity Charges	1,40,077	99,785
Advertisement	30,000	95,706
Business Promotion Expenses	1,21,794	1,73,856
Field Promotional Activities	0	50,000
Other Expenses	<u>4,86,257</u>	<u>5,73,987</u>
Total	<u>3,19,00,936</u>	<u>2,89,07,494</u>

23. Extraordinary Items	31st March, 2016 Rupees	31st March, 2015 Rupees
Prior Period Expenditure	0	-10,82,941
Total	<u>0</u>	<u>-10,82,941</u>



BHASKAR AGROCHEMICALS LIMITED

NOTES - 24

DISCLOSURES OF ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Notes annexed to and forming part of Balance Sheet as at 31st March 2016 and the Statement Profit and Loss for the period 01-04-2015 to 31-03-2016 ended on that date:

1. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING :

The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis unless otherwise stated. The Financial Statements are prepared under 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, 2013.

2. REVENUE RECOGNITION:

- a) Revenues from sale of goods are recognised up on passage of title to the customers which generally coincides with their delivery.
- b) Job work charges accounted at the time of dispatch to customers and are grouped under sales.

3. USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions to be made that effect 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 recognised in the period in which the results are known / materialized.

4. FIXED ASSETS :

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and incidental expenses related to acquisition.

Assets under capital work in progress are stated at cost net of taxes until the assets are ready for commercial use. Expenditure during construction period which are directly attributable for acquisition of fixed assets are classified under Preoperative expenditure pending capitalisation.

5. DEPRECIATION:

Depreciation on fixed assets has been provided on the straight line Method on the basis of useful life's as prescribed in Schedule II to the Companies Act, 2013, on pro-rata basis except Building & Plant and machinery of Unit II on which no depreciation has been provided.

6. IMPAIRMENT OF ASSETS

Management periodically assesses using external & internal sources whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the recoverable amount. The impairment loss which is excess of value carrying amount over the higher of 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.

7. INVENTORY VALUATION:

Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average method. Cost includes purchase cost net of CENVAT credit availed and attributable expenses.

Finished goods is valued at cost or net realizable value whichever is lower. Goods in transit are valued at cost which represents the cost incurred up to the stage at which the goods are in transit.

8. EMPLOYEES 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 employees renders the related service.
- ii) Post employment benefits (defined benefit plan)
Gratuity will be provided by the company as per estimates given by the Life Insurance Company.
- iii) Post employment benefits (defined contribution plan)
Contribution to Provident fund is made in accordance with the provisions of the Employees Provident Fund and miscellaneous Act, 1952 and is treated as revenue expenditure
- iv) Long term employee benefits
Liability for compensated absences is provided for as per the rules of the company.

9. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

10. 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 estimate.

11. TAXES ON INCOME:

Provision for current tax is made considering various allowances and benefits available to the Company under Income tax law. In accordance with Accounting Standard AS 22 "Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India Deferred Taxes resulting from timing differences between book profits and tax profits are accounted for at the current rate of tax to the extent the time differences are expected to be crystallized.

12. 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 the total number of shares comprised in the Paid up Share Capital of the company.

II. NOTES ON ACCOUNTS:

a) CONTINGENT LIABILITIES:

- i. Estimated amount of contracts remaining to be executed on Capital account and not provided for Rs. 63,32,854/- (Previous Year Rs. 4,88,177/-) net of advance.
- ii. In respect of fiscal liabilities that may arise on account on non-observance of provisions of various fiscal status, Companies Act and other related laws and interest chargeable on demand raised and not paid if any, amount is not ascertainable.



BHASKAR AGROCHEMICALS LIMITED

- b) In the opinion of the management and to the best of their knowledge and belief the value of the realisation of Current Assets, loans & 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.
- c) Depreciation is not provided on Factory Buildings and Plant & Machinery of Unit - II as Unit is closed
- d) The Company has taken Unsecured Loans from Two Companies prior to 01.04.2014 and from Managing Director who are covered in the register maintained Under Sec. 189 of the Companies Act, 2013. The Balance outstanding at the end of the year is Rs. 1,58,60,315/- (Previous Year Rs. 1,41,45,315/-). The Maximum amount involved during the year is Rs. 1,58,60,315/- (Previous Year Rs. 1,46,45,315/-)
- e) **RELATED PARTY DISCLOSURE :**
- (i) Key Management Personal
P. Pattabhi Rama Rao
P.Rajya Laxmi
Rohini Aluri
P.Praveen Kumar
- (ii) Associated Concerns
B & P Industries Ltd.
Cosmic Agro Chemicals Ltd.

Sl.No.	Nature of the transaction	Volume of transaction	Balance Outstanding
A	Loan Taken		
	P. Pattabhi Rama Rao	6,20,000	19.10.000 Cr.
	P. Praveen Kumar	10,95,000	10,95,000 Cr.
B	Remuneration Paid		
	P. Pattabhi Rama Rao	12,00,000 Salary	
	P.Praveen Kumar	12,00,000 Salary	
	Rohini Aluri	4,80,000 Salary	
f)	As the Company's business activity falls within single segment viz. Pesticides, the disclosure requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.		
g)	The Company has not provided for deferred Tax Liability / Asset on account of carried over loss adjustable for calculation of Income Tax Liability/Assets, not ascertained and taken into account, due to uncertainty.		
h)	Earnings Per Share		
	Earnings 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	2015-16	2014-15
	Profit/Loss after tax	15794478	10477515
	Weighted average no. of shares	5209663	5209663
	Basic and diluted earnings per share of Rs.10/- each	3.03	2.01

i) <u>Particulars of Payments to Auditors</u>	For the year ended		For the year ended	
	31.03.2016		31.03.2015	
Audit fees	1,50,000		1,50,000	
Tax Audit Fees	25,000		25,000	
j) <u>Particulars of Payments to Directors</u>	For the year ended		For the year ended	
	31.03.2016		31.03.2015	
Directors Remuneration	24,00,000		24,00,000	
k) Value of Raw Material Consumed				
	For the year ended		For the year ended	
	31.03.2016		31.03.2015	
	Value	%	Value	%
Imported	0	0	0	0
Indigenous	21,77,06,641	100	22,34,76,570	100
Total	21,77,06,641	100	22,34,76,570	100
k) Expenditure in foreign currency				
Purchases	Nil		Nil	
Travelling	3,24,619		Nil	
l) Earnings in foreign currency				
FOB Value of exports	Nil		Nil	
m) Comparative figures of the previous year, wherever necessary have been regrouped to confirm with those of the current year.				
As per our report of even date attached				
for R. KANKARIA & UTTAM SINGHI	For and on behalf of the Board			
Chartered Accountants	for BHASKAR AGROCHEMICALS LIMITED			
Firm Regi. No. 000442S				
UTTAM KUMAR SINGHI	P.PRABEEN KUMAR	P.PATTABHI RAMA RAO		
Partner	DIRECTOR	MANAGING DIRECTOR		
M.No. 027481/ICAI	DIN : 00353720	DIN : 00353641		
Place : Hyderabad				
Date : 30.05.2016				



BHASKAR AGROCHEMICALS LIMITED

Regd. Off: 25, Lalbahadur Stadium, Hyderabad 500 001.

CIN : L24219TG1988PLC008331

Form No. MGT-12

Polling Paper

(Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration)Rule,2014.

BALLOT PAPER			
S/No	Particulars	Details	
1.	Name of the First Named Shareholder (In block letters)		
2.	Postal address		
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)		
4.	Class of Share		
I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:			
No	Item No.	I assent to the resolution	I dissent from the resolution
1.	Adoption of financial statement for the year ended march 31, 2016 and the Directors report and Auditors Report thereon		
2.	Appointment of Mr. A.N.U.M. Prasad as Director, who retires by rotation.		
3.	Ratification of the appointment of M/s R.Kankaria & Uttam Singhi as Statutory Auditors of the company.		
4.	Appointment of Mr. S.V.S. Chowdary as Independent Director		
5.	Appoint ment of Mr. C. Sudhakar as Independent Diector		

Place :

Date :

(Signature of Share Holder)



BHASKAR AGROCHEMICALS LIMITED

Regd. Off: 25, Lalbahadur Stadium, Hyderabad 500 001.

CIN : L24219TG1988PLC008331

**28th Annual General Meeting at 11.30 a.m. on 24.09.2016
at Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad.**

ADMISSION SLIP

Folio No./DP ID & Client ID: _____ Shares Held _____

Please tick whether Member/Joint Holder/Proxy _____

Name of the Member or Proxy _____ Member's or Proxy's Signature _____

Note : Shareholder / Proxy must bring the Admission Slip to the meeting and hand it over at the entrance duly signed.



BHASKAR AGROCHEMICALS LIMITED

Regd. Off: 25, Lalbahadur Stadium, Hyderabad 500 001.

CIN : L24219TG1988PLC008331

PROXY FORM

Name of the Member(s): _____

Registered Address: _____

Email id: _____

Folio No./DP ID & Client ID: _____

I/we, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name: _____ Address _____

Email id _____ Signature _____ or failing him

1. Name: _____ Address _____

Email id _____ Signature _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th annual general meeting/Extraordinary General Meeting of the company, held on the saturday, 24th day of September,2016 at 11.30 a.m. at Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad.and at my adjournment thereof in respect of such resolution as are indicated below:

Ordinary Business :

1. Adoption of financial statement for the year ended march 31, 2016 and the Directors report and Auditors Report thereon
2. Appointment of Mr. A.N.U.M. Prasad as Director, who retires by rotation.
3. Ratification of the appointment of M/s R.Kankaria & Uttam Singhi as Statutory Auditors of the company.

Special Business :

4. Appointment of Mr. S.V.S. Chowdary as Independent Director
5. Appointment of Mr. C. Sudhakar as Independent Director

Signature of Share Holder

Signed this _____ day of _____ 2016

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting

affix
Rs.1/-
Revenue
Stamp

Printed matter
Book Post



Bhaskar Agrochemicals Limited

Administrative Office
29, Lal Bahadur Stadium, Hyderabad