31st ANNUAL GENERAL MEETING

Day	:	Saturday
Date	:	28th September, 2019
Time	:	10-00 a.m.
Venue	:	Aditya Park, Aditya Trade Centre Ameerpet, Hyderabad-500 038.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS :

Mr. P.Pattabhi Rama Rao	Managing Director	(DIN : 00353641)
Mr. P.Praveen Kumar	Wholetime Director Cum CFO	(DIN : 00353720)
Dr. Aluri Naga Uma Maheswara Prasad	Non Executive Director	(DIN : 02970817)
Mrs. P. Rajyalakshmi	Non Executive Director	(DIN : 00353832)
Mr. S.V.Satyanarayana Chowdary	Indpendent Director	(DIN : 07522128)
Mr. Ch. Sudhakar	Indpendent Director	(DIN : 07522130)

COMPANY SECRETARY AND COMPLIANCE OFFICER : Mr. Parasharam Ramchandra Adav.

REGISTERED OFFICE : 6-3-347/9, 503, Riviera Apartment,
Dwarakapuri Colony, Panjagutta, Hyderabad – 500 082
Telangana. Ph : 040 - 66462082
E.mail : bhaskaragro@yahoo.com

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

STATUTORY AUDITORS : **M/s S. Singhvi & Co.**
Chartered Accountants
Hyderabad.

SECRETARIAL AUDITORS : **Vivek Surana & Associates**
Practicing Company Secretaries
Hyderabad.

BANKERS : **Axis Bank Limited**

AUDIT COMMITTEE :

Mr. S.V, Satyanarayana Chowdary	- Chairman
Mr. Ch. Sudhakar	- Member
Dr. Aluri Naga Uma Maheswara Prasad	- Member

NOMINATION & REMUNERATON COMMITTEE :

Mr. Ch. Sudhakar	- Chairman
Mr. S.V, Satyanarayana Chowdary	- Member
Mrs. P. Rajya Lakshmi	- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE :

Dr. Aluri Naga Uma Maheswara Prasad	- Chairman
Mr. Ch. Sudhakar	- Member

REGISTRAR & SHARE TRANSFER AGENT (RTA) : **Xl Softech Systems Ltd.**
3, Sagar Society, Road No .3
Banjara Hills, Hyderabad – 500 034, Telangana.
Ph : 040 - 23545913, E.mail : xlfield@gmail.com

LISTED AT : BSE Limited

ISIN : INE972C01018

WEBSITE : www.bhaskaragro.com

investor E.mail ID : bhaskaragro@yahoo.com

CORPORATE INDENTITY NUMER : L24219TG1988PLC008331

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Shareholders of Bhaskar Agrochemicals Limited will be held on Saturday, 28th of September, 2019 at 10.00 A.M. at Aditya Park, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038, Telangana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2019, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.

2. To appoint a director in place of Mr. P. Praveen Kumar (DIN: 00353720) who retires by rotation and being eligible, offers himself for re-appointment.

BY ORDER OF THE BOARD
BHASKAR AGROCHEMICALS LIMITED

P. PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Place: Hyderabad
Date : 13.08.2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2019 to 28.09.2019 (Both days inclusive).

3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.

4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.

5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

7. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. XL Softech Systems Limited.)

8. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

9. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **xlfield@gmail.com.,** Share Transfer Agents of the Company for doing the needful.

10. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
11. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
12. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
13. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
14. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.bhaskaragro.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: **bhaskaragro@yahoo.com.**
15. **Voting through Electronic Means (E-Voting Facility)**

    Pursuant to the provisions of Section 108 of the Act read with the rules there under and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 31st Annual General Meeting scheduled to be held on Saturday, 28th of September, 2019 at 10.00 A.M. at Aditya Park, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038, Telangana.

    The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

    The e-voting facility will be available during the following voting period:

    Commencement of e-voting: From **25.09.2019 at 9. a.m.**

    End of e-Voting: **Upto 27.09.2019 at 5. p.m.**

    The cut-off date (i.e. the record date) for the purpose of e-voting is 20.09.2019.

    Please read the procedure and instructions for e-voting given below before exercising the vote.

    This communication forms an integral part of the Notice dated 13.08.2019 for the AGM scheduled to be held on Saturday, 28th of September, 2019 at 10.00 A.M. at Aditya Park, Aditya Trade Centre, Ameerpet, Hyderabad-38, Telangana. which is enclosed herewith and is also made available on the website of the Company **www.bhaskaragro.com.** Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through CDSL for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 31st Annual General Meeting of the Company dated 13th August, 2019.

Procedure and instructions for e-voting

(i) The E-voting period begins on 25th September, 2019 (9.00 A.M) and ends on 27th September, 2019 (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, 20.09.2019 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders.

(iv) 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.

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

(vi) 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.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ⊡ Members who have not updated their PAN with the Company /Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ⊡ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend / Bank Details **OR** Date of Birth (DOB)	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. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) 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 new password 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.

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

(xi) Click on the EVSN for the relevant < **Bhaskar Agrochemicals Limited >**

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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 linked in the login 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.**

2. OTHER INSTRUCTIONS:

(i). Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.

(ii) The voting rights of shareholders shall be in proportions to the shares held by them in the paid equity share capital of the Company as on the cut-off date i.e. 20th September 2019.

(iii) The Company has appointed Mr. Vivek Surana, Practicing Company Secretary as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

(iv) The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast though remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him.

(v) Voting is provided to the members through e-voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.

(vi) If a Member casts votes by both modes, then voting done through e-voting shall prevail.

(vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bhaskaragro.com and on the website of CDSL and will be communicated to the BSE Limited.

19. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

20. Relevant documents referred to in the accompanying Notice, are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. upto the date of Annual General Meeting.

21. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form except transmission or transposition. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

BY ORDER OF THE BOARD
BHASKAR AGROCHEMICALS LIMITED

P. PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Place: Hyderabad
Date : 13.08.2019

DIRECTOR'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 31st Director's Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2019 has been as under:

(Rs. In Lakhs)

Particular	2018-19	2017-18
Total Revenue	5166.99	5220.09
Total Expenditure	5095.29	5181.16
Profit Before Tax	71.70	38.93
Provision for Tax		-
Profit after Tax	71.70	38.93
Balance Carried to Balance Sheet	71.70	38.93

2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 13.08.2019)

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

4. DIVIDEND:

The Directors have not recommended dividend for the year.

5. RESERVES:

The Company has not carried any amount to the reserves.

6. SHARE CAPITAL:

There is no change in the share capital of the Company.

7. BOARD MEETINGS:

The Board of Directors duly met 4 (Four) times on 30.05.2018, 14.08.2018, 13.11.2018 and 13.02.2019 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

8. INVESTOR EDUCATION AND PROVIDENT FUND

The Company has not transferred any amount to Investor Education and Provident Fund.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Mr. S. V. Satyanarayana Chowdary and Mr. Ch. Sudhakar, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

10. MANAGEMNET DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is appended to this Report.

11. DIRECTORS OR KMP APPOINTED, RE-APPOINTED OR RESIGNED:

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment and Directors resigning are given as under:-:

No Directors or Key Managerial Personnel are appointed or resigned during the year.

Name of the Director	:	Mr. P. Praveen Kumar (Reappointment)
Date of Birth	:	26.06.1977
Qualification	:	B. Tech, M.B.A.
Expertise in specific functional areas	:	IT., Agrochemicals Manufacturing
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	:	NIL
No. of Shares held in the Company	:	277954
Inter relationship with any Director	:	Son of Mr. P. Pattabhi Rama Rao, Managing Director of the Company and Mrs. P. Rajyalakshmi, Director of the company

12. FAMILIARISATION PROGRAMMES:

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website www.bhaskaragro.com.

13. COMPOSITION OF AUDIT COMMITTEE:

I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

II. The terms of reference of the Audit Committee include a review of the following:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:

1. Any changes in accounting policies and practices;
2. Qualification in draft audit report;
3. Significant adjustments arising out of audit;
4. The going concern concept;
5. Compliance with accounting standards;
6. Compliance with stock exchange and legal requirements concerning financial statements and
7. Any related party transactions

- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

III. The previous Annual General Meeting of the Company was held on 28.09.2018 and Chairman of the Audit Committee, attended previous AGM.

IV. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Regulation 27 of SEBI (LODR) Regulations 2015 relating to the composition of the Audit Committee.

During the financial year 2018-19, (4) four meetings of the Audit Committee were held on the 30.05.2018, 14.08.2018, 13.11.2018, 13.02.2019.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
S.V. Satyanarayana Chowdhary	Chairman	NED(I)	4	4
Ch. Sudhakar	Member	NED(I)	4	4
Dr. Aluri Naga Uma Maheswara Prasad	Member	NED	4	4

NED (I): Non-Executive Independent Director

NED: Non Independent, Non- Executive Director

NOMINATION & REMUNERATION COMMITTEE

Terms of reference :

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit. The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

Mr. P. Pattabhi Rama Rao, Managing Director and Mr. P. Praveen Kumar, Wholetime Director and CFO are paid a monthly remuneration of Rs. 2 lakhs p.m.

During the year, the committee met on 13.02.2019.

The details of composition of the Committee are given below:

Name	Designation	Category	No. of Meetings held	No.of Meetings attended
Ch. Sudhakar	Chairman	NED(I)	1	1
S.V. Satyanarayana Chowdhary	Member	NED(I)	1	1
P. Rajya Lakshmi	Member	NED	1	1

NED (I): Non Executive Independent Director

NED: Non Independent, Non-Executive Director

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. **Terms and References:**

2.1 **"Director"** means a director appointed to the Board of a Company.

1.2 **"Nomination and Remuneration Committee** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

2.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. **Policy:**

Qualifications and criteria

3.1.1 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.

3.1.2 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.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the Companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 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.

3.2 **criteria of independence**

3.2.1 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.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors "as specified in Schedule IV to the companies Act, 2013.

3.3 Other Directorships/ Committee Memberships

3.3.1 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.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve 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.

3.3.4 A Director shall not be a member in more than 10 committee or act 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:**

1.1 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. **Terms and Reference:**

In this policy the following terms shall have the following meanings:

2.1 **"Director"** means a Director appointed to the Board of the company.

2.2 **"key managerial personnel"** means

(i) The Chief Executive Office or the managing director or the manager;

(ii) The company secretary;

(iii) The whole-time director;

(iv) The chief finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act,2013 and reg. 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 **Remuneration to Executive Director and Key Managerial Personnel**

3.1.1 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.

3.1.2 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.

3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Commission (Applicable in case of Executive Directors)
(iv) Retrial benefits
(v) Annual performance Bonus

3.1.4 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.

3.2 **Remuneration to Non – Executive Directors**

3.2.1 The Board, on the recommendation of the Nomination and Remuneration 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.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof.

3.3. **Remuneration to other employees**

3.3.1. 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.

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Dr. Aluri Naga Uma Maheswara Prasad	Chairman	NED
P. Rajya Lakshmi	Member	NED

NED: Non Executive Director

B) Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

  The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

The Company has designated an exclusive e-mail ID called **bhaskaragro@yahoo.com** for complaints/grievances.

14. 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 read with SEBI (LODR) Regulations 2015. The same has been placed on the website of the Company.

15. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had 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;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) 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.

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

The Company does not have any Subsidiary, Associate or Joint venture.

17. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.

During the year neither any Company became its subsidiary nor ceased to be its subsidiary.

18. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 annexed as a part of this Annual Report

19. STATUTORY AUDITORS:

The members of the company in accordance with section 139 of the Companies Act, 2013 had passed a resolution for appointment of M/s. S. Singhvi & Co, as Statutory Auditors of the company for a period of 5 years in the AGM held on 28.09.2017 to hold office up to the conclusion of 34th Annual General Meeting of the company subject to ratification as per the provisions of Companies Act, 2013.

However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been omitted.

20. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

There have been no frauds reported by the auditors u/s 143(12).

21. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. Vivek Surana, Practicing Company Secretary is annexed to this Report as an annexure.

22. QUALIFICATIONS IN AUDIT REPORTS:

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor’s Report on the Accounts for the year ended March 31, 2018 and has noted that 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. Since the Unit II is not in operations, therefore depreciation is not provided on Building, Plant & Machinery

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2019 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is providedhereunder:

A. Conservation of Energy:

Your Company’s operations are not energy intensive. Adequate measures have been taken toconserve energy wherever possible by using energy efficient computers and purchase ofenergy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D):NIL

2. Technology absorption, adoption and innovation:NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

24 (a) RISK MANAGEMENT POLICY

The Company as formulated a Risk Management Policy under which various risks associated with the business operations is identified and risk mitigation plans have been put in place.

24. (b.) CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website (https:// www.bhaskaragro.com /investors/insider-trading-policy.pdf)

25. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review. Further, there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

26. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company’s operations in future.

27. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

28. INSURANCE:

The properties and assets of your Company are adequately insured.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given loans, Guarantees or made any investments during the year under review attracting the provisions of section 186 of the Companies Act, 2013.

30. CREDIT & GUARANTEE FACILITIES:

The Company has availed credit facilities from Axis Bank.

31. COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:

Since the Company does not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

32. RELATED PARTY TRANSACTIONS:

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arms length basis.

Transactions with the Related Parties as required under relevant Accounting Standards of the form part of this Annual Report.

33. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

34. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE:

A statement showing the names of the top ten employees in terms of remuneration drawn is annexed to this Annual report as annexure.

35. 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 read with Schedule V of the Companies Act, 2013 the ratio of remunerationof Mr. P. Pattabhi Rama Rao, Managing Director of the Company to the median remuneration of the employees is 21.5 :1 and of Mr. P. Praveen Kumar, Whole-Time director & CFO of the Company is 21.5 :1.

36. 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 as envisaged in SEBI (LODR) Regulations, 2015 is not applicable.

37. SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

EVENT BASED DISCLOSURES

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

38. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

39. CEO/ CFO Certification

The Managing Director cum CEO and CFO certification of the financial statements for the year 2018-19 is annexed in this Annual Report.

40. EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing a remuneration of Rs. 1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

41. BOARD EVALUATION:

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below:

i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.

ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.

iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.

iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.

v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

42. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

43. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, Banks, statutory authorities and other financial institutions and shareholders of the Company, for their continued support for the growth of the Company.

For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

Place: Hyderabad
Date : 29.05.2019

P.PRAVEEN KUMAR	**P.PATTABHI RAMA RAO**
Wholetime Director & CFO	MANAGING DIRECTOR
DIN : 00353720	DIN : 00353641

Certificate of Code of Conduct for the year 2018-19

The shareholders
Bhaskar Agrochemicals Limited

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 : 29.05.2019

P. PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY

To

The Board of Directors,

Dear Sirs,/Madam,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and to the best of our knowledge and belief;

   a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and

   b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,

4. That we have informed the auditors and the audit committee of:

a) Significant changes in the internal control during the year;

b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

Place: Hyderabad
Date : 29.05.2019

P.PRAVEEN KUMAR
Wholetime Director & CFO
DIN : 00353720

P.PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows: **

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

***** Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.***

Management Discussion and Analysis Report:

(a) Industry structure and developments:

Indian agriculture witnessed a downtrend in sowings during both Kharif and Rabi seasons, due to below normal South West Monsoons and deficit North East monsoons, respectively. The ongoing Rabi season, especially witnessed less sowing, which was the prime reason for increase in prices for all key crops – wheat, paddy, cotton, maize, chana and soyabean. Indian agricultural sector is facing adversity due to factors like - shortage of labour supply- escalated labour costs- marginalized cultivable areas - lack of irrigation facilities, among other things.

The agrochemical production in India has risen by 2.9% in FY 19. Historically, the production has witnessed a CAGR of 4.3% during FY14-18. With the growth in population in India, there is a rise in production of crops, which in turn enhances demand for agrochemicals. Food grain and horticulture production grew by 1.8% and 3% CAGR, respectively during FY14-18.

(b) Opportunities and Threats:

India's agrochemical consumption is one of the lowest in the worldwith per hectare consumption beingjust 0.6 kgs as compared to the United States (5-7 kgs/hectare) and Japan (11-12 kgs/hectare). With the increase in awareness and market penetration, consumption is likely to improve in the near future. The agrochemicals industry is expected to play a pivotal role in attainingfood security for a populous country like India.

India is fast emerging as a hub for contract manufacturing, due to some competitive advantages like Low Cost Manufacturing Capability, Availability of highly skilled workforce, Seasonal nature of domestic demand, Idle Capacity availability, Better price realizations in global markets and Ease of Doing Business

(c) Segment–wise or product-wise performance:

During the year under review, the Company has recorded revenue of Rs.5166.99 Lakhsand made a Profit of Rs.71.70 Lakhs against revenue of Rs.5220.09 Lakhs and a profit of Rs.38.94 Lakhs in the previous financial year 2017-18.

(d) Outlook:

The management is doing its best to forge relations with other companies and take the company forward in the new business lines. However, the outlook of the management is cautious in view of the competitive nature of the market.

(e) Risks and concerns:

Risk management comprises all the organisational rules and actions for early identification of risks in the course of doing business and the management of such risks along with identification of opportunities .

The Company as formulated a Risk Management Policy under which various risks associated with the businessoperations is identified and risk mitigation plans have been put in place.

(f) Internal control systems and their adequacy:

The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting Records and its accuracy. The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

(g) Discussion on financial performance with respect to operational performance:

The Financial performance of the Company has been detailed in Board's Report under para Financial summary.

(h) Material developments in Human Resources/Industrial Relations front, including number of people employed:

The Company has able and experienced staff and dedicated executives.The company continues to have cordial relations with its employees and other stakeholders. The Company has 56 permanent employees as on 31.03.2019.

i) Details of significant changes in key financial ratios along with detailed explanations thereof : Not Applicable

j) Details of any change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof : Not Applicable

k) Disclosure of Accounting Treatment :

The Company has not carried out any treatment different from that prescribed in Accounting Standards.

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Directors	Designation	Ratio of Remuneration
P. Pattabhi Rama Rao	Managing Director	21.15:1
P. Praveen Kumar	Wholetime Director & CFO	21.15:1

2. The percentage in increase in remuneration of each directors, chief financial officer, Company secretary, if any in the financial year. No increase
3. The percentage increase in the median remuneration of Employees for the financial year: Nil
4. There were 56 permanent employees as on 31st March, 2019
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration: Nil
6. The average increase in the remuneration of employees excluding KMPs during FY 2018-19 was Nil % and the average increase in the remuneration of KMPs was Nil %.
7. The remuneration of Directors was as per the Remuneration Policy of the Company.
8. Details of TOP 10 Employees

S. No	Name and Age	Age:	Designation	Remunera-tion per annum (in Rs.)	Qualification and Experience	Date of commencement of Employment	Last employment	No of equity shares held in the company	Relation with any director of the Company
1	P. Pattabhi Rama Rao	69	Managing Director	24,00,000	B Com	19/02/1988	-	2,08,057	Husband of Mrs. P. Rajyalakshmi and father of Mr. P. Praveen Kumar
2	P. Praveen Kumar	42	Wholetime Director & CFO	24,00,000	B.Tech, M.B.A	24/11/2005	-	2,77,954	Son of Mrs. P. Rajyalakshmi and P. Pattabhi Rama Rao
3	G. Sada Siva Rao	55	Manager	9,64,152	B Com	05/06/1988	-	-	-
4	N. Adinarayana Rao	59	Manager	9,02,256	B.Com	15/05/1995	-	-	-
5	K. Bhaskar Reddy	44	Maintenance	5,28,000	Diploma ITI	01/11/2015	M/s Annapurna Ear Canal Ltd	-	-
6	S. Jagadeswara Rao	44	Chemist	5,28,000	M.Sc	20/07/2017	M/s Hyderabad Chemicals Ltd	-	-
7	K. Ravi Kishore	32	Accounts Officer	3,13,200	B Com	01/08/2013	M/s Exide Industries Ltd	-	-
8	G. Satyam	46	Supervisor (Prod)	2,70,000	Diploma ITI	23/01/1995	-	-	-
9	P.Bhujangadhararao	56	Accounts Officer	2,44,020	B.Com	05/06/1988	-	-	-
10	P.Lal Bahadur	49	Supervisor	2,40,180	Diploma ITI	14/07/2012	M/s Pristine Agro	-	-

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,

The Members

Bhaskar Agro Chemicals Limited

We 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”). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2018 and ended 31st March, 2019 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 herein after:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2019 according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made there under;

   (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI ACT’) is furnished hereunder for the financial year 2018-19:-

   i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures, wherever applicable.**

   ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company’s website i.e. www.bhaskaragro.com.**

   iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**

   iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review**.

   v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**

vi. 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; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has XL Softech Systems Limited as its Share Transfer Agent.**

vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018**; Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**

ix. Other applicable laws include the following:

- The Payment of Gratuity Act, 1972
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Income Tax Act, 1961
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Wages Act, 1936
- Shops and Establishments Act, 1948
- Water (Prevention and control of Pollution) Act, 1974 and the rules made there under;
- Air (Prevention and control of Pollution) Act, 1981 and the rules made there under;
- Hazardous Wastes (Management, Handling and Transboundry Movement) Rules, 2008;
- The Environment Protection Act, 1986;
- The Factories Act,1948
- The Insecticides Act, 1968 and rules made thereunder
- Fertilizer Control (Order).

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:

a) During the year the Company has conducted 4 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 Meeting of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

(i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Board of Directors of the Company is duly constituted with the required Key Managerial Personnel with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, 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.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Vivek Surana & Associates

Sd/-
Vivek Surana
Proprietor
CP.No : 12901

Place: Hyderabad
Date : 29.05.2019

Annexure A

To
The Members of
Bhaskar Agrochemicals Limited

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vivek Surana & Associates

Sd/-
Vivek Surana
Proprietor
CP.No : 12901

Place: Hyderabad
Date : 29.05.2019

MGT – 9

EXTRACT OF ANNUAL RETURN
As on the Financial year ended on 31st March, 2019

(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	Company Limited by Shares/Indian Non Government Company
v) Address of the Registered office and contact details	6-3-347/9, 503, Riviera Apartment, Dwarka Puri Colony, Panjagutta, Hyderabad – 500082, Telangana.
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. XL Softech Systems Limited, 3, Sagar Society, Road No.3, Banjara Hills, Hyderabad - 500034 Phone Number: 040-23545913, Fax: 040-235532214.

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	20211	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
1	—	—	—	—	—

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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUIF	3031920	0	3031920	58.20	3031920	0	3031920	58.20	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	208594	—	208594	4.00	208594	—	208594	4.00	—
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	**3240514**	**0**	**3240514**	**62.20**	**3240514**	**0**	**3240514**	**62.20**	**0.00**
(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)	**3240514**	**0**	**3240514**	**62.20**	**3240514**	**0**	**3240514**	**62.20**	**0.00**
B. PUBLIC SHARE HOLDING									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	200	200	0.00	—	200	200	0.00	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—

f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
i) Others (Specify)	—	—	—	—	—	—	—	—	—
Sub Total (B) (1)	—	**200**	**200**	**0.00**	**—**	**200**	**200**	**0.00**	—
2. Non Institutions									
a) Bodies Corporate	—	—	—	—	—	—	—	—	—
i) Indian	23140	11600	34740	0.67	27841	10500	38341	0.74	10.37
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	274565	1441848	1716413	32.95	402945	1257947	1660892	31.88	(3.24)
ii) Individual Share holders holding nominal share capital in excess of Rs.1 Lakh	130800	34000	130800	2.51	148720	100666	249386	4.79	90.83
c) Others - NRI	2000	84966	86966	1.67	2000	18300	20300	0.39	(76.65)
Sub Total (B) (2)	**430505**	**1538414**	**1968919**	**37.80**	**581506**	**1387413**	**1968919**	**37.79**	**0.00**
Total Public Shareholding (B) = (B)(1) +(B)(2)	**430505**	**1538614**	**1969119**	**37.80**	**581506**	**1387613**	**1969119**	**37.80**	**0.00**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	—	—	—	—	—	—	—	—	—
GRAND TOTAL (A+B+C)	**3671019**	**1538614**	**5209633**	**100**	**3822020**	**1387613**	**5209633**	**100**	**0**

(*ii) Shareholding of Promoters*

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	—	NIL
2	P RAJYA LAKSHMI	456749	8.77	—	456749	8.77	—	NIL
3	C SAI SUDHA	366254	7.03	—	366254	7.03	—	NIL
4	P DURGAMBA	623619	11.97	—	623619	11.97	—	NIL
5	P PRAVEEN KUMAR	277954	5.34	—	277954	5.34	—	NIL
6	P SANTHI	220454	4.23	—	220454	4.23	—	NIL
7	P PATTABHI RAMA RAO	208057	3.99	—	208057	3.99	—	NIL
8	POSANI FERTILISERS LIMITED	208594	4.00	—	208594	4.00	—	NIL

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

Sl.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
NIL	NIL	NIL	NIL	NIL	NIL

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) : NIL

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

Sl.No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Jayalakshmi Aluri	68100	1.31	1,44,056	3.77
2	Somisetty Giridhar Gupta	62700	1.20	71330	1.37
3	Murali Krishna Prasad Divi	34000	0.65	34000	0.65
4	Rita K Jethani	15400	0.30	14000	0.30
5	Murlidhar B Jethani	13500	0.26	13500	0.26
6	Peacock Chennai Finvest Private Limited	13340	0.26	13340	0.26
7	Summan R Jethani	13200	0.25	13200	0.25
8	Ramesh M Jethani	13100	0.25	13100	0.25
9	Jaiwanti M Jethani	13100	0.25	13100	0.25
10	Vasundara R	12000	0.23	12000	0.23

Data Wise Increase / Decrease in share Holding during the year specifying the reasons for increase / decrease(e.g. allotment / transfer /bonus / sweat equity etc

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	%of total Shares of the company	No. of Shares	% of total Shares of the company
1	**P. Pattabhi Rama Rao - Managing Director**				
	At the beginning of the year	208057	3.99	208057	3.99
	Data wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer bonus/ sweat equity etc):- NIL				
	At the End of the year	208057	3.99	208057	3.99
2.	**P. Praveen Kumar-Whole-Time Director**				
	At the beginning of the year	277954	5.34	277954	5.34
	Data wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer bonus/ sweat equity etc):- NIL				
	At the End of the year	277954	5.34	277954	5.34
3.	**Rajya Lakshmi Posani - Director**				
	At the beginning of the year	456749	8.77	456749	8.77

	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	456749	8.77	456749	8.77
4	**Naga Uma Maheswara Prasad Aluri**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	-	-	-	-
5	**Venkata Satyanarayana Sanurathri Chowdary**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	-	-	-	-
6	**Sudhakar Chigurupati**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share Holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	-	-	-	-

V. 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 (in Rs.)
		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 (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	24,00,000	24,00,000	48,00,000
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit - others, specify......			
5.	Others, please specify	—	—	—
	Total (A)	24,00,000	24,00,000	48,00,000
	Ceiling as per the Act	60,00,000	60,00,000	

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors			Total Amount
3	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	-- --	--	-- --	
	Total (1)	-- --	--	-- --	
4	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			Total Amount (in Rs.)
		CEO	Company Secretary P Ramchandra Adav	CFO P. Praveen Kumar	
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		1,80,000	* As stated in table number VI (A)	1,80,000
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission - as % of profit - others, specify......				
5.	Others, please specify	—	—	—	—
	Total (A)	—	1,80,000	—	1,80,000

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	—	—	—	—	—

For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

Place: Hyderabad
Date : 29.05.2019

P.PRAVEEN KUMAR	**P.PATTABHI RAMA RAO**
Wholetime Director & CFO	MANAGING DIRECTOR
DIN : 00353720	DIN : 00353641

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

(a) Name(s) of the related party and nature of relationship
(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts / arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any
(e) Justification for entering into such contracts or arrangements or transactions
(f) Date(s) of approval by the Board
(g) Amount paid as advances, if any:
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

(a) Name(s) of the related party and nature of relationship
(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts / arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
(e) Date(s) of approval by the Board, if any:
(f) Amount paid as advances, if any:

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bhaskar Agrochemicals Limited

Qualified Opinion

We have audited the financial statements of **Bhaskar Agrochemicals Limited**("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of changes in equityand the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements 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 March 31st, 2019 and profit, changes in equityand its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company has not provided depreciation on building and plant and equipment relating to Unit – II in the books of accounts of the company as the Unit – II is closed and hence our opinion is qualified in respect of this matter.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statementssection of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.No	Key Audit Matter	Auditor's Response
1	**Revenue Recognition** Revenue from the sale of goods (hereinafterreferred to as Revenue") is recognised when theCompany performs its obligation to its customersand the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.The timing of revenue recognition is relevant to the reported performance of	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures including: 1. Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers")and testing thereof. 2. Evaluating the design and implementation of Company's controls in respect of revenue recognition. 3. Testing the effectiveness of such controls over revenue cut off at year-end.

the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.Refer Note 1 to the Financial Statements - Significant Accounting Policies

4. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.

5. Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

Information Other than the Financial Statements and Auditor'sReport Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

In preparing thefinancial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether thefinancial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to Sour separate Report in "Annexure B".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amount as at 31stMarch, 2019 which are required to be transferred to the Investor Education and Protection Fund by theCompany.

For S Singhvi& Co.
Chartered Accountants
Firm Regi. No. 003872S

Shailendra Singhvi
Proprietor
Membership No.023125/ICAI

Place : Hyderabad
Date : 29.05.2019

ANNEXURE “A” TO THE AUDITOR’S 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, 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 at reasonable intervals.In our opinion, the frequency of verification is reasonable. No material discrepancies 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 (iiia),(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 as specified under section 148(1) of the Companies Act, 2013.

vii) a. According to the information & explanations given to us, none of the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Goods & Service Tax, Cess and any other material 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 dues inrespect of disputed amount to be deposited in respect of Custom Duty, Goods and Service Tax, Cess and other material Statutory dues as on 31st March,2019.

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 term loans orinitial public offer or further public offer (including debt instruments) and hence reporting under clause (ix) of the Order is not applicable.

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) In our opinion, 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 any preferential allotment of shares 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 S Singhvi& Co.
Chartered Accountants
Firm Regi. No. 003872S

Place : Hyderabad
Date : 29.05.2019

Shailendra Singhvi
Proprietor
Membership No.023125/ICAI

Report on Internal Financial Controls Over Financial Reporting

Annexure "B" to the Independent Auditor's Report of even date on the Financial Statements of Bhaskar AgrochemicalsLimited

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 Agrochemicals Limited ("the Company") as of March 31, 2019 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, 2019, 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 S Singhvi& Co.
Chartered Accountants
Firm Regi. No. 003872S

Place : Hyderabad
Date : 29.05.2019

Shailendra Singhvi
Proprietor
Membership No.023125/ICAI

BHASKAR AGRO CHEMICALS LIMITED

Regd Office: Flat No.503 , Rivera Apartments, Dwarkapuri Colony, Punjagutta, Hyderabad - 500 082
CIN: L24219TG1988PLC008331, Tel: 040 66462082, Fax:040 66462082
Email: bhaskaragro@yahoo.com, Website:www.bhaskaragro.com

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with standalone Annual Audited Financial Results

Statement of Impact of Audit Qualifications For the Financial Year Ended March 31, 2019 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

SL. NO.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Total Revenue	516,698,668	516,698,668
2	Total Expenditure	509,528,559	509,528,559
3	Net Profit / (Loss) (before tax)	7,170,109	7,170,109
4	Earnings Per Shares	1.38	1.38
5	Total Assets	306,236,854	306,236,854
6	Total Liabilities	306,236,854	306,236,854
7	Net Worth	87,362,182	87,362,182
8	Any other financial items (as felt appropriate by the management)	NIL	NIL

II Audit Qualification (each audit qualification seprately)

a. Details of audit qualifications	:	The Company has not provided depreciation on Building & Plant & Machinery relating to Unit II in Books of account of the company as Unit II is closed.
b. Type of Audit Qualification	:	Qualified Opinion
c. Frequency of qualifications	:	Repetitive
d. For Audit Qualification(s) where the impact is quantified by the auditor	:	No.
e. For Audit Qualification(s) where the impact is not quantified by the auditor	:	
i. Management's estimation on the impact of audit qualification	:	NIL
ii. If management is unable to estimate the impact, reason for the same	:	N.A.
iii. Auditors' comment on (i) or (ii)	:	NIL

III Signatories:

Managing Director	Sd/- P Pattabhi Rama Rao
CFO	Sd/- P Praveen Kumar
Audit Committee Chairman	Sd/- SVS Chowdary
Statutory Auditor	Sd/- Shailendra Singhvi Prop. S Singhvi & Co. Chartered Accountants FRNo. 003872S

bhaskar agrochemicals

BALANCE SHEET AS AT 31-03-2019

(Amount of Rs.)

Particulars	Note No	31st March, 2019 Rupees	31st March, 2018 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	3	**18,84,03,176**	14,14,34,141
Capital work in progress	4	**0**	3,51,81,085
Financial assets			
Loans	5	**4,64,049**	4,79,349
Other non-current assets	6	**7,86,417**	29,32,328
Total Non Current Assets		**18,96,53,642**	18,00,26,903
Current Assets			
Inventories	7	**8,84,68,471**	7,65,90,973
Financial assets			
Trade receivables	8	**2,76,72,119**	1,16,77,947
Cash & cash equivalents	9	**1,36,909**	70,703
Deposits and others	10	**29,857**	27,053
Current tax assets (Net)	11	**43,799**	41,051
Other current assets	12	**2,32,057**	9,42,931
Total Current Assets		**11,65,83,212**	8,93,50,658
Total Assets		**30,62,36,854**	26,93,77,561
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	**51,980,330**	51,980,330
Other equity	14	**3,53,81,852**	2,79,23,877
Total Equity		**8,73,62,182**	7,99,04,207
LIABILITIES			
Non Current Liabilities			
Financial liabilities			
Borrowings	15	**4,44,14,230**	5,32,23,575
Other financial liabilities	16	**591,000**	5,91,000
Provisions	17	**17,25,168**	18,07,206
Total Non Current Liabilities		**4,67,30,398**	5,56,21,781
Current Liabilities			
Financial liabilities			
Borrowings	18	**7,26,98,154**	5,51,67,675
Trade payables	19	**3,98,14,765**	3,30,98,516
other Financial liabilities	20	**1,42,56,411**	1,54,50,585
Other current liabilities	21	**4,53,74,944**	3,01,34,797
Total Current Liabilities		**17,21,44,274**	13,38,51,573
Total Equity and Liabilities		**30,62,36,854**	26,93,77,561
Summary of Significant Accounting Policies	1 TO 2		
The accompanying notes are an integral part of the standalone financial statements	3 TO 41		

As per our report of even date attached.
for **S Singhvi & Co.**
Chartered Accountants
Firm Regi. No. 0038725

Shailendra Singhvi
Proprietor
M.No. 023125/ICAI

Place: Hyderabad
Date : 29.05.2019

For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

P.PRAVEEN KUMAR
Wholetime Director & CFO
DIN : 00353720

P.PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Sd/-
PARASHARAM RAMCHANDRA ADAV
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note No		31st March, 2019 Rupees		31st March, 2018 Rupees
Income :					
Revenue from Operations	22		**51,66,70,544**		52,19,72,041
Other Income	23		**28,124**		37,220
Total Revenue			**51,66,98,668**		52,20,09,261
Expenses:					
Cost of materials consumed	24		**45,55,23,399**		46,58,02,029
Changes in inventories of finished goods	25		**7,94,767**		(6,37,260)
Excise Duty on sale of goods			**0**		40,26,468
Employee benefits expense	26		**1,65,43,394**		1,56,22,837
Finance costs	27		**1,39,41,498**		95,52,543
Depreciation expense	3		**76,96,455**		56,40,835
Other expenses	28		**1,50,29,046**		1,81,08,075
Total Expenses			**50,95,28,559**		51,81,15,527
Profit before tax			**71,70,109**		38,93,734
Tax expense :					
Current Tax		**0**		0	
MAT Credit entitlement		**0**		0	
Earlier Tax		**0**		0	
Deferred tax		**0**		0	
			0		0
Profit/(Loss)for the year			**71,70,109**		38,93,734
Other Comprehensive Income	29				
Item not to be reclassified to profit & Lossin Subsequent periods:					
Remeasurement on employees defined benefit plan			**2,87,866**		(2,16,830)
Deferred tax credit on above			**0**		0
Total other Comprehensive Income, net of tax			**2,87,866**		(2,16,830)
Total Comprehensive Income, net of tax			**74,57,975**		36,76,904
Earning per equity share of Rs.10/- each fully paid:	30				
Basic & Diluted (Annulised)			**1.38**		0.75

Summary of Significant Accounting Policies	1 TO 2
The accompanying notes are an integral part of the standalone financial statements	3 TO 41

As per our report of even date attached.
for **S Singhvi & Co.**
Chartered Accountants
Firm Regi. No. 0038725

Shailendra Singhvi
Proprietor
M.No. 023125/ICAI

Place: Hyderabad
Date : 29.05.2019

For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

P.PRAVEEN KUMAR
Wholetime Director & CFO
DIN : 00353720

P.PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Sd/-
PARASHARAM RAMCHANDRA ADAV
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount of Rs.)

Particulars	Note No	31st March, 2019 Rupees	31st March, 2018 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net profit Before tax		**71,70,109**	38,93,734
Adjustments for :			
Depreciation		**76,96,455**	56,40,835
Interest Paid		**1,35,54,777**	91,76,708
Interest earned		**27,524**	37,220
Gratuity		**2,87,866**	2,90,054
Operating profit before working capital charges		**2,87,36,730**	1,90,38,551
Adjustments for movement in working capital:			
(Increase)/Decrease in Inventories		**(1,18,77,498)**	(2,11,98,529)
(Increase)/Decrease in Trade Receivable		**(1,59,94,172)**	(61,82,352)
(Increase)/Decrease in Other Financial & Non Financial Assets		**12,496**	7,688
Other Current & non current assets		**28,56,785**	(3,48,854)
(Increase)/Decrease in Trade Payable		**67,16,249**	1,08,44,887
(Increase)/Decrease in Other Financial, non financial liabilities & provisions		**(13,78,530)**	(1,98,614)
(Increase)/Decrease in Other current liabilities		**1,52,40,147**	42,97,579
Cash generated from operations		**2,43,12,208**	62,60,356
Direct taxes paid (Net of refund)		**(2,748)**	1,21,800
Net cash flow from operating activities (A)		**2,43,09,460**	63,82,156
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchases of property, plant & equipments, capital work in progress & capital advances		**(1,94,84,405)**	(3,70,75,153)
Proceeds from sale of property, plant & equipments		**0**	0
Interest earned		**(27,524)**	(37,220)
Net cash flow used in investing activities (B)		**(1,95,11,929)**	(3,71,12,373)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
proceeds/(Repayment) of long term borrowings (Net)		**(88,09,345)**	1,79,07,727
proceeds/(Repayment) of short term borrowings (Net)		**1,76,32,797**	1,93,53,345
Interest paid		**(1,35,54,777)**	(67,49,932)
Net cash used in financing activities (C)		**(47,31,325)**	3,05,11,140
Net increase/(decrease) in cash and cash equivalents(A+B+C)		**66,206**	(2,19,077)
Cash and cash equivalents at the beginning of the year		**70,703**	2,89,780
Cash and cash equivalents at end of the year		**1,36,909**	70,703
Summary of Significant Accounting Policies	1 TO 2		
The accompanying notes are an integral part of the standalone financial statements	3 TO 41		

The above cash flow statement has been prepared using the 'Indirect Method as set out in the IND AS -7 on Cash flow Statement as notified by the Central Government under the Companies Act, 2013.

As per our report of even date attached.
for **S Singhvi & Co.**
Chartered Accountants
Firm Regi. No. 0038725

Shailendra Singhvi
Proprietor
M.No. 023125/ICAI

Place: Hyderabad
Date : 29.05.2019

For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

P.PRAVEEN KUMAR
Wholetime Director & CFO
DIN : 00353720

P.PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Sd/-
PARASHARAM RAMCHANDRA ADAV
Company Secretary

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

1. Equity Share Capital	31st March, 2019 Number of shares	31st March, 2019 Amount in Rs.	31st March, 2018 Number of shares	31st March, 2018 Amount in Rs.
As at April 01, 2018	**52,09,633**	**5,20,96,330**	52,09,633	5,20,96,330
Less: Allotment money due by others	**0**	**1,16,000**	0	1,16,000
Add: Issued during the year	**0**	**0**	0	0
As at March 31, 2019	**52,09,633**	**5,19,80,330**	52,09,633	5,19,80,330

b **Other Equity**	**Capital Reserve**	**Security Premium Reserve**	Retained Earnings	Total
As at April 01, 2017	**4,73,81,660**	**1,52,19,539**	(38,296,226)	2,43,04,973
Add: Profit for the year	**0**	**0**	38,93,734	38,93,734
Add: Other Comprehensive Income for the year :				
Remeasurement of employees defined benefit plans	**0**	**0**	(2,16,830)	(2,16,830)
Deferred tax on above	**0**	**0**	0	-
	4,73,81,660	**1,52,19,539**	(3,46,19,322)	2,79,81,877
As at April 01, 2018	**4,73,81,660**	**1,52,19,539**	(3,46,19,322)	2,79,81,877
Add: Profit for the year	**0**	**0**	71,70,109	71,70,109
Add: Other Comprehensive Income for the year :				
Remeasurement of employees defined benefit plans	**0**	**0**	2,87,866	2,87,866
Deferred tax on above	**0**	**0**	0	0
As at March 31, 2019	**4,73,81,660**	**1,52,19,539**	(2,71,61,347)	3,54,39,852

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.
for **S Singhvi & Co.**
Chartered Accountants
Firm Regi. No. 0038725

Shailendra Singhvi
Proprietor
M.No. 023125/ICAI

Place: Hyderabad
Date : 29.05.2019

For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

P.PRAVEEN KUMAR
Wholetime Director & CFO
DIN : 00353720

P.PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Sd/-
PARASHARAM RAMCHANDRA ADAV
Company Secretary

Notes to financial statements for the year ended March 31, 2019

1. Overview of the Company

Bhaskar Agrochemicals Limited was incorporated on February 19, 1988 in Hyderabad (Telangana). The Company is a public limited company incorporated and domiciles in India and has its registered office at 6-3-347/9, Flat No. 503, Rivera Apartments, Dwarkapuri Colony, Punjagutta, Hyderabad - 500 082 (TS). It is incorporated under the Companies Act, 2013 and its shares are listed on the Bombay Stock Exchange. It has got the manufacturing facility in Yadadri Bhuvanagiri District of Telangana, and is engaged in manufacturing mainly formulation of Agro Chemicals.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial Statement. These policies have been consistantly applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation & compliance with IND AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and othetr relevant provisions of the Act. The financial statements of the company are prepared in accordance with the Indian Generally Accepted Principal (GAAP) on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS

- Certain financial assets and liabilities are measured at fair value (Referred accounting policy on financial instruments)
- Defined benefit and other long term Employees Benefit.

Current versus non current classification

All the assets and liabilities have been classified as current and non current as per the company’s normal operating cycle of twelve months and other critaria set out in Schedule III to the Companies Act, 2013.

2.2 Uses of Estimates & judgments

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of the financial statements are reviewed on an ongoing basis. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Measurement of Fair Values

The accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities

- Level 2 - inputs other than quoted price included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3 - inputs for the asset or liability that are not based on observable market data (unabsorvable inputs) If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4 Property Plant and Equipment and Depreciation

a) Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight and other incidental expenses directly related to acquisition/construction and installation of the assets.

Any trade discounts and rebates are deducted in arriving at the purchase price.

b) Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the exisiting asset beyond its previously assessed standard of performance.

c) Capital work-in-progress includes fixed assets not ready for their intended use and related incidental expenses and attributable interest.

d) The estimated useful life of assets are as follows:

Building	30-60 years
Plant and equipment	20-25 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer and data processing equipment	3 years

e) Depreciation on tangible fixed assets (property, plant and equipment) has been provided on on Straight Line Method. Depreciation is provided on a pro-rata basis, i.e. from the date on which asset is ready for use. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Items of fixed assets that are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately under other current assets in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

g) An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

2.5 Intangible Assets

a) Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any.

b) Subsequent expenditure related to an item of intangible assets are added to its book value only if they increase the future benefits from the exisiting asset beyond its previously assessed standard of performance.

c) Intangible fixed assets that are ready for use are amortized on a straight line basis over a period of estimated useful life of 4 years.

d) An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal of fixed assets carried at cost are recognised in the Statement of Profit and Loss.

2.6 Impairment of Property, Plant and Equipment

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

2.7 Borrowing Costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalized as cost of that asset until it is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue and recognized as an expense in the Statement of Profit and Loss.

2.8 Research and Development Cost

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

2.9 Non Current Assets held for Sale

Non-current assets classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets,are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held-for-sale they are no longer amortised or depreciated.

2.10 Inventories

a) Inventories are valued at lower of cost or net realizable value on an item-by-item basis.

b) Cost of finished goods, traded goods and work in progress is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location. Cost of raw materials, packing materials and consumables is determined on first-in-first-out basis.

2.11 Cash and Cash Equivalents

Cash comprises of cash at bank and on hand and cash equivalents comprise of short-term bank deposits with an original maturity of three months or less.

2.12 Cash Flow Statement

Cash flows are reported using indirect method as set out in IND AS 7, “Statement of Cash Flows”, whereby profit /(loss) before tax is adjusted for the effects of transactions of non cash nature and deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, Investing and financing activities of the company are segregated based on the available information.

2.13 Leases

A lease is classified at the inception date as finance lease or an operating lease. Leases under which the Company assumes substantially all the risk and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease, whichever is lower. Lease payments are apportionedbetween finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of Profit and loss. Other leases are treated as operating lease, with payments are recognised as expenses in the statement of profit and loss on a straight line basis over the lease term.

The company will adopt Ind AS 116, effective annual reporting period beginning April 1,2019.The company will apply the standard to its leases from the date of initial application (April 1,2019). The company is in the process of finalising the changes to systems and processes to meet the Accounting and reporting requirements of the standard.

2.14 Revenue Recognition

Effective April 1, 2018 the company has adopted Ind AS 115 “ Revenue from contracts with customers”. The application of Ind AS 115 did not have any significant impact on recognisations and measurement of revenue.

a) Sale of goods is recognized as revenue when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates

b) Income from services rendered is recognized based on agreements with the customers using the proportionate completion method, when services are performed and no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering of service.

c) Interest income is recognized on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

2.15 Income Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Minimum Alternate Tax (MAT) credit entitlement.

a) Current Tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

c) Minimum Alternate Tax

MAT is recognised as an assets only when & to the extent there is convencing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becames eligible to be recognised, it is credited to the statement of profit & loss & is considered as (MAT credit entitlement). The company review the same at each Balance Sheet date & writes down the carrying amount of MAT credit entitlement to the extent there is no longer convencing evidence to the effect that the comapny will pay normal income tax during the specified period. MAT credits are in the form of unused tax credits that are carried forwared by the company for a specified period of time, hence, it is presented as Deferred Tax Assets.

2.16 Employees Benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services. Superannuation benefits, a defined contribution plan, has been funded with Life Insurance Corporation of India and the contribution is charged to Statement of profit and loss, when the contribution to the Fund is due.

Defined benefit plans

The company provides for gratuity benefit and compensated absences, which are defined benefit plans, covering all its eligible employees. Liability towards gratuity benefits and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations are carried out at the balance sheet date. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. The gratuity benefit is funded with the Life Insurance Corporation of India (LIC).

The short term provision for compensated absences has been calculated on actual basis, based on the balance of unutilised leave available, and can be encashed at the end of the year as per the company's policy.

2.17 Foreign Currency Transactions

a) Initial recognition-Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

b) Subsequent measurement- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

2.18 Provisions and Contingencies

a) A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

2.19 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. Basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant

2.20 Earnings per Shares

Basic EPS is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity share outstanding during the year. For the purpose of calculating diluted EPS the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

2.21 Operating Cycles

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of products/ activities of the company, the management has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.22. Financial Instruments

a) Financial Assets

i) Recognition and initial measurement

Financial assets are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value through profit and loss.

Financial assets are carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit and loss.

ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

Financial assets at amortised coat

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial assets at fair value through profit (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

Financial instruments measured at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

iii) Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

iv) Impairment of Financial Assets

In accordance with Ind AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities,deposits, and bank balance.

- Trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather,it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) Financial Liabilities

i) Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial liability is initially measured at fair value, in case of financial liability which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the issue of a financial liability.

ii) Subsequent measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii) Derecognition

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

NOTES TO THE ACCOUNTS

3. Fixed Assets

(in Rs.)

PROPERTY, PLANT & EQUIPMENT Particulars	Freehold land	Buildings	Plant and Equipment	Electrical Installations	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total Property plant and equipment
Gross carrying Value									
Balance as at April 01, 2017	1439685	100534747	80203150	186040	3400352	0	896097	2885969	189546040
Additions	0	0	5592881	1893188	0	426830	62680	2424155	10399734
Deductions / Adjustrments	0	0	0	0	0	0	0	0	0
Balance as at March 31, 2018	1439685	100534747	85796031	2079228	3400352	426830	958777	5310124	199945774
Acculmulated Depreciation									
Opening Accumulated depreciation	0	23511042	25730294	79942	2180661	0	683162	685697	52870798
Depreciation charge during the year	0	1419626	3403514	22938	152617	0	123528	518612	5640835
Disposal/Adjustments	0	0	0	0	0	0	0	0	0
Closing Accumulated depreciation	0	24930668	29133808	102880	2333278	0	806690	1204309	58511633
Net Carrying amount as at 31.03.2018	1439685	75604079	56662223	1976348	1067074	426830	152087	4105815	141434141
Gross carrying value									
Balance as at April 01, 2018	1439685	100534747	85796031	2079228	3400352	426830	958777	5310124	199945774
Additions	0	29334943	16508829	2493513	2232471	3039898	148034	907802	54665490
Deductions / Adjustrments	0	0	0	0	0	0	0	0	0
Balance as at March 31, 2019	1439685	129869690	102304860	4572741	5632823	3466728	1106811	6217926	254611264
Acculmulated Depreciation									
Opening Accumulated depreciation	0	24930668	29133808	102880	2333278	0	806690	1204309	58511633
Depreciation charge during the year	0	1844630	4275746	311477	254754	209905	113507	686436	7696455
Disposal/Adjustments	0		0	0	0	0	0	0	0
Closing Accumulated depreciation	0	26775298	33409554	414357	2588032	209905	920197	1890745	66208088
Net Carrying amount as at 31.03.2019	1439685	103094392	68895306	4158384	3044791	3256823	186614	4327181	188403176

4. CAPITAL WORK IN PROGRESS

Assets under installations	Civil Construction	Buildings	Plant and Equipment	Electrical Installations	Preoperative Expenses	Total Capital Work in progress
As at April 01, 2017	0	8511641	2516567	0	0	11028208
Additions	0	17373472	15395227	2598718	2649963	38017380
Deductions	0	6841934	5129381	1893188	0	13864503
As at March 31, 2018	0	19043179	12782413	705530	2649963	35181085
As at April 01, 2018	0	19043179	12782413	705530	2649963	35181085
Additions	2595922	5821122	1737225	1787983	0	11942252
Deductions	2595922	24864301	14519638	2493513	2649963	47123337
As at March 31, 2019	0	0	0	0	0	0

NOTES TO THE ACCOUNTS

5. FINANCIAL ASSETS - LOANS

PARTICULARS	31st March, 2019	31st March, 2018
Non Current		
(Unsecured considred good unless otherwise stated)		
Security Deposit	**4,64,059**	4,79,349
Total	**4,64,059**	4,79,349

6. OTHER NON CURRENT ASSETS

PARTICULARS	31st March, 2019	31st March, 2018
Unsecured considred good unless otherwise stated		
Capital advances	**7,86,417**	29,32,328
Total	**7,86,417**	29,32,328

7. INVENTORIES

PARTICULARS	31st March, 2019	31st March, 2018
Cost or net realisable value whichever is lower		
Raw Material	**5,88,11,481**	5,03,94,332
Finished Goods	**1,79,925**	9,74,692
Packing Material	**2,94,77,065**	2,52,21,949
Total	**8,84,68,471**	7,65,90,973

8. TRADE RECEIVABLE

PARTICULARS	31st March, 2019	31st March, 2018
Unsecured - Considered good	**2,76,72,119**	1,16,77,947
Unsecured - Considered doubtful	**0**	0
	2,76,72,119	1,16,77,947
Less: Provision for bad & doubtful trade receivable	**0**	0
Total	**2,76,72,119**	1,16,77,947

8.1. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person nor from firms or private companies respectively in which any director is a partner, a director or a member.

9. CASH & CASH EQUIVALENTS

PARTICULARS	31st March, 2019	31st March, 2018
Balances with bank in current accounts	**46,797**	65,040
Cash in hands	**90,112**	5,663
Total	**1,36,909**	70,703

NOTES TO THE ACCOUNTS

10. FINANCIAL ASSETS - DEPOSITS & OTHERS

PARTICULARS	31st March, 2019	31st March, 2018
Current (Unsecured considered good unless otherwise stated)		
Advances recoverable in cash	**5,082**	5,857
Interest accrued on deposits	**24,775**	21,196
Total	**29,857**	27,053

11. CURRENT TAX ASSETS (NET)

PARTICULARS	31st March, 2019	31st March, 2018
Income tax paid (Net of provision)	**43,799**	41,051
Total	**43,799**	41,051

12 OTHER CURRENT ASSETS

PARTICULARS	31st March, 2019	31st March, 2018
Current (Unsecured considered good unless otherwise stated)		
Advances recoverable in kind	**12,545**	1,11,276
Payable towards expenses	**7,275**	2,82,415
Prepaid Expenses	**2,12,237**	1,32,106
Balance with statutory/Government Authorities	**0**	4,17,134
Total	**2,32,057**	9,42,931

13 EQUITY SHARE CAPITAL

PARTICULARS	31st March, 2019	31st March, 2018
Authorised		
60,00,000 Equity Shares of Rs. 10/- each	**6,00,00,000**	6,00,00,000
3,25,000 Redemmable non convertible Preference Shares of Rs. 100/- each	**3,25,00,000**	3,25,00,000
Total	**9,25,00,000**	9,25,00,000
Issued & Subscribed		
52,09,633 Equity Shares of Rs. 10/- each, Fully Paid up	**5,20,96,330**	5,20,96,330
	5,20,96,330	5,20,96,330
Paid up		
52,09,633 Equity Shares of Rs. 10/- each, Fully Paid up	**5,20,96,330**	5,20,96,330
Less: Allotment money due by others	**(1,16,000)**	(1,16,000)
Total	**51,980,330**	51,980,330

NOTES TO THE ACCOUNTS

13.1 RECONCILATION OF NUMBER OF SHARES:

PARTICULARS	31st March, 2019	31st March, 2018
Number of Equity Shares at the beginning of the year	**52,09,633**	52,09,633
Add: Number of shares issued during the year	**0**	0
Number of Equity Shares at the end of the year	**52,09,633**	52,09,633

13.2 RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

13.3. DETAILS OF SHARES HELD BY EACH SHAREHOLDERS HOLDING MORE THAN 5% SHARES

PARTICULARS	Number of Shares held	% of holding in that class of shares	Number of Shares held	% of holding in that class of shares
Equity shares of Rs. 10/- each held by:				
Posani Bhaskar Rao & Co. (P Pattabhi Rama Rao)	878833	16.87%	878833	16.87%
P Rajya Laxmi	456749	8.77%	456749	8.77%
C Sai Sudha	366254	7.03%	366254	7.03%
P Durgamba*	623619	11.97%	623619	11.97%
P Praveen Kumar	277954	5.34%	277954	5.34%

* Mrs. P. Durgamba was holding 6,23,619 equity shares as on Balance sheet date is expired on 06-11-2018 and transmission of shares are under process.

13.4 The Company has not allotted any equity shares as fully paid up without being received in cash or as bonus shares or bought back any equity shares.

14 OTHER EQUITY

PARTICULARS		31st March, 2019		31st March, 2018
Capital Reserve				
Opening Balance		**4,73,81,660**		4,73,81,660
Securities Premium				
Opening Balance	**1,52,19,539**		1,52,19,539	
Less: Share Premium due by others	**58,000**		58,000	
		1,51,61,539		1,51,61,539
Surplus in the Statement of Profit & Loss				
Opening Balance	**(3,46,19,322)**		(3,82,96,226)	
Add: Profit for the year	**71,70,109**		38,93,734	
Other Comprehensive Income net of tax	**2,87,866**		(2,16,830)	
Closing Balance		**(2,71,61,347)**		(3,46,19,322)
Total		**3,53,81,852**		2,79,23,877

NOTES TO THE ACCOUNTS

15 FINANCIAL LIABILITIES - BORROWINGS

PARTICULARS	**31st March, 2019**	31st March, 2018
Non Current Borrowings		
Preference shares (Unsecured)		
325000 Redemmable non convertible Preference shares of Rs. 100/- each	**1,66,77,638**	1,51,61,490
Term Loan (Secured)		
From Axis Bank Limited	**2,51,10,607**	3,61,63,428
Other Loans		
Vehicle Loan from others (Secured)	**23,46,176**	26,11,947
Intercorporate Deposit (Unsecured)	**1,20,48,403**	1,09,52,987
	5,61,82,825	6,48,89,852
Current Maturities of non current borrowings		
Term Loan (Secured)		
From Axis Bank Limited	**1,11,49,582**	1,09,35,672
Other Loans		
Vehicle Loan from others (Secured)	**6,19,013**	7,30,605
	1,17,68,595	1,16,66,277
Total	**4,44,14,230**	5,32,23,575

15.1 Details of Indian Rupee Term Loan from banks are as under:

Name of the Bank/Others	**Outstanding as on 31.03.2019**	Outstanding as on 31.03.2018	Sanction Amount	Number of Instalments	Effective Interest Rate
From Bank					
Axis Bank - Term Loan 1	**77,68,824**	1,36,04,622	1,73,30,000	54 Monthly installments commencing from February, 2016	10.75% i.e. MCLR plus 2.50% p.a.
Axis Bank - Term Loan 2	**1,73,41,783**	2,25,58,806	2,45,00,000	57 Monthly installments commencing from November, 2017	10.75% i.e. MCLR plus 2.50% p.a.
Other Loans - Vehicle					
Alphera Financial Services	**0**	2,83,926	13,00,000	36 Monthly installments commencing from November, 2015	9.98%
Toyota Financial Services India Pvt Ltd.	**18,81,342**	23,28,021	25,42,000	60 Monthly installments commencing from October, 2017	8.26%
Mahindra & Mahindra Financial Services Ltd	**4,64,834**	0	4,75,000	36 Monthly installments commencing from March, 2019	17.25%
Other Loans - Intercorporate					
Cosmic Agro Chemicals (Prop. Posani Fertilizers Ltd)	**1,06,91,000**	1,06,91,000	-	-	-
B And P Industries Limited	**15,84,279**	15,84,279	-	-	-
Navyuga Engineering Co Ltd.	**1,12,03,425**	1,12,03,425	-	-	-

NOTES TO THE ACCOUNTS

15.2 Term loan - 1 from Axis Bank Limited is secured by first charge on entire assets created out of said term loan.

15.3 Term loan - 2 from Axis Bank Limited is secured by first charge on entire assets created out of said term loan.

15.4. All the Term loans from Axis Bank Limited are secured by fresh equitable mortgage of industrial land and building admeasuring 4.68 Acres situated at No. 2-04, Sy. No. 94/1 & 95, Toopranpet Village, Chotuppal Mandal, Yadadri Bhuvanagiri District standing in the name of company.

15.5 Term Loans from Axis Bank Limited is further secured by personal guarantee of Sri P Pattabhi Rama Rao, Managing Director, P Praveen Kumar, Whole Time Director & CFO, Dr. A.N. Uma Maheshwara Prasad, Director of the company and Smt. P Rajya Lakshmi, Director of the company.

15.6 Vehicle loan is secured against the respective vehicle financed by them.

15.7 Vehicle loan taken from DCL Finance Ltd in the year 1996 & which was repaid fully. However, charge is still reflecting as per the index of charge available on MCA website

16 OTHER FINANCIAL LIABILITIES

PARTICULARS	31st March, 2019	31st March, 2018
Other non current liabilities		
Dealership deposit	**5,91,000**	5,91,000
Total	**591000**	5,91,000

17 PROVISIONS

PARTICULARS	31st March, 2019	31st March, 2018
Non current provisions		
For Gratuity	**17,25,168**	18,07,206
Total	**17,25,168**	18,07,206

18 FINANCIAL LIABILITIES - BORROWINGS

PARTICULARS	31st March, 2019	31st March, 2018
Current Borrowings		
Working capital loans (Secured)		
From Axis Bank Limited	**5,36,46,015**	3,91,65,837
Loan from related party (Unsecured)		
Loan from directors	**1,90,52,138**	1,60,01,838
Total	**7,26,98,154**	5,51,67,675

18.1 Details of Indian Rupee Working Capital Loan from banks are as under:

Name of the Bank	Effective Interest Rate	
	Current Year	Previous Year
From Axis Bank Limited	**9.95%**	10.50%

18.2 Working capital facilities from Axis Bank Limited are secured by exclusive charge on entire current assets and movable fixed assets (other than vehicles) of the company, both present and future, besides personal guarantee of Sri P Pattabhi Rama Rao, Managing Director, P Praveen Kumar, Whole Time Director & CFO and Dr. A.N. Uma Maheshwara Prasad, Director of the company and Smt. P Rajya Lakshmi, Director of the company.

18.3. Working Capital facilities from Axis Bank Limited are secured by fresh equitable mortgage of industrial land and building admeasuring 4.68 Acres situated at No. 2-04, Sy. No. 94/1 & 95, Toopranpet Village, Chotuppal Mandal, Yadadri Bhuvanagiri District standing in the name of company.

NOTES TO THE ACCOUNTS

19 TRADE PAYABLE

PARTICULARS	31st March, 2019	31st March, 2018
Unsecured considered good:		
Outstanding due to Micro, small & medium enterprises	**0**	0
Others	**39814765**	33098516
Total	**39814765**	33098516

19.1 Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

Principal amount remaining unpaid	**--**	--
Interest due thereon	**--**	--
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period/year	**--**	--
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period/ year) but without adding the interest specified under MSMED Act, 2006	**--**	--
Interest accrued and remaining unpaid as at balance sheet date	**--**	--
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**--**	--
Total	**--**	--

19.2 The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the company.

20 OTHER FINANCIAL LIABILITIES

PARTICULARS	31st March, 2019	31st March, 2018
Current Maturities of long term debts		
Term Loan (Secured)		
From Axis Bank Limited	**1,11,49,582**	10935672
Other Loans		
Vehicle Loan from others (Secured)	**6,19,013**	730605
Payable towards property, plant & equipment	**9,94,860**	1869892
Other Payable - Expenses	**14,92,956**	1914416
Total	**1,42,56,411**	15450585

21 OTHER CURRENT LIABILITIES

PARTICULARS	31st March, 2019	31st March, 2018
Advance from Customers	**4,41,58,240**	29486314
Statutory Dues	**12,16,704**	648483
Total	**4,53,74,944**	30134797

NOTES TO THE ACCOUNTS

22 REVENUE FROM OPERATIONS

PARTICULARS	31st March, 2019	31st March, 2018
Sale of products		
Manufactured products - Domestic	**51,66,70,544**	52,12,46,351
Sale of Services		
Job work Services	**0**	7,25,690
Total Revenue from operations	**51,66,70,544**	52,19,72,041

23 OTHER INCOME

PARTICULARS	31st March, 2019	31st March, 2018
Interest Income	**27,524**	37,220
Other Non Operating Income	**600**	0
Total	**28,124**	37,220

24 COST OF MATERIAL CONSUMED

PARTICULARS		31st March, 2019		31st March, 2018
Raw Material Consumption				
Opening Stock	**5,03,94,332**		3,54,80,022	
Add: Purchases	**43,62,68,344**		44,48,67,005	
	48,66,62,676		48,03,47,027	
Less: Closing Stock	**5,88,11,481**	**42,78,51,195**	5,03,94,332	42,99,52,695
Packing Material Consumed:				
Opening Stock	**2,52,21,949**		1,95,74,990	
Add: Purchases	**3,19,27,320**		4,14,96,293	
	5,71,49,269		6,10,71,283	
Less: Closing Stock	**2,94,77,065**	**2,76,72,203**	2,52,21,949	3,58,49,334
Total		**45,55,23,399**		46,58,02,029

25 CHANGES IN INVENTORIES OF FINISHED GOODS

PARTICULARS	31st March, 2019	31st March, 2018
Opening Stock		
Finished goods	**9,74,692**	3,37,432
Closing Stock		
Finished goods	**1,79,925**	9,74,692
Change in inventories	**7,94,767**	(6,37,260)

26 EMPLOYEES BENEFITS EXPENSES

PARTICULARS	31st March, 2019	31st March, 2018
Salaries & Wages	**95,59,165**	87,92,704
Directors Remuneration	**48,00,000**	48,00,000
Contribution to provident fund & other funds	**8,01,220**	7,84,645
Grauity Expenses	**3,60,645**	4,65,054
Compensated absence	**1,57,636**	1,00,629
Staff Welfare Expenses	**8,64,728**	6,79,805
Total	**1,65,43,394**	1,56,22,837

NOTES TO THE ACCOUNTS

27 FINANCIAL COSTS

PARTICULARS	31st March, 2019	31st March, 2018
Interest on term loan	**31,54,997**	18,56,246
Interest on working capital loan	**47,92,826**	36,47,506
Interest to others	**29,95,390**	12,46,180
Interest on financial liabilities recognised on amortised cost	**26,11,564**	24,26,776
Bank Charges & Processing Fee	**3,86,722**	3,75,835
Total	**1,39,41,498**	95,52,543

28 OTHER EXPENSES

PARTICULARS	31st March, 2019		31st March, 2018	
Manufacturing Expenses				
Power & Fuel	**24,01,115**		29,26,836	
Insurance	**3,78,118**		2,62,198	
Carriage Inward	**20,77,156**		31,89,509	
Repairs & Maintenance				
Plant & Machinery	**9,83,767**		10,03,701	
Buildings	**50,605**		1,23,009	
Others	**49,936**		53,390	
Testing & Lab Charges	**2,87,022**		71,986	
Water Charges	**5,70,964**		6,31,734	
Factory Maintenance	**9,38,878**		10,42,110	
		77,37,561		93,04,473
Administration, Selling and Other Expenses				
Rent	**6,84,000**		8,19,000	
Rates & Taxes	**3,20,280**		4,16,767	
Printing & Stationery	**3,03,283**		1,40,466	
Communication Expenses	**5,57,987**		1,71,066	
Vehicle Maintainance	**5,92,266**		4,87,207	
Travelling & Conveyance	**13,45,896**		10,04,127	
Consultancy & Other Professional Charges	**14,82,800**		12,88,176	
Business Promotion & Advertisement	**2,40,378**		2,54,405	
Remuneration to auditors	**1,75,000**		1,75,000	
Listing Fees & Other Share Maintenance Exp.	**3,67,614**		25,92,380	
Miscellaneous Expenses	**12,21,982**		14,55,008	
		72,91,485		88,03,602
Total		**1,50,29,046**		1,81,08,075

29 OTHER COMPREHENSIVE INCOME

PARTICULARS	31st March, 2019	31st March, 2018
Net loss on remeasuement of defined benefit plans	**2,87,866**	(2,16,830)
Deferred tax effect on remeasurment costs on net defined liability	**0**	0
Total	**2,87,866**	(2,16,830)

NOTES TO THE ACCOUNTS

30 EARNINGS PER SHARES

30.1 Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

30.2 The Basic and diluted EPS per share is given hereunder

27 FINANCIAL COSTS

PARTICULARS		31st March, 2019	31st March, 2018
Profit / (Loss) as per Profit and Loss Account	Rs.	**71,70,109**	38,93,734
Net Profit / (Loss) attributable to Equity Share holders	Rs.	**71,70,109**	38,93,734
Equity Shares outstanding at the beginning of the year	Nos.	**52,09,633**	52,09,633
Equity Shares outstanding at the close of the year	Nos.	**52,09,633**	52,09,633
Weighted Average No. of Equity Shares	Nos.	**52,09,633**	52,09,633
Nominal Value of Equity Shares	Rs.	**10**	10
Basic EPS and Diluted EPS	Rs.	**1.38**	**0.75**

31 TAXES

PARTICULARS	31st March, 2019	31st March, 2018
Income Tax Expense recognised in the Statement of Profit & Loss:		
Current Tax	**-**	-
Adjustment of tax relating to earlier years		
Deferred tax Charge/(Credit)	**-**	-
Total Income tax Expenses recognised in statement of profit & loss	**-**	-
Deferred tax Charged/(Credit) to OCI	**-**	-
b. Reconcilation of effective tax rate:		
Profit before tax (A)	**71,70,109**	38,93,734
Enacted tax rate in India (B)	**27.82%**	27.55%
Expected Tax Expenses (C=A*B)	**19,94,724**	10,72,821
Adjustments:		
Expenses not deductable for tax purpose	**32,93,997**	28,52,330
Tax due to change in tax rate	**17,23,978**	(5,11,276)
Others	**(1,21,88,084)**	(62,34,788)
Income tax as per profit & loss statement	**(71,70,109)**	(38,93,734)
Profit after adjusting permanent difference	**-**	-
Expected tax Expenses	**-**	-
Total tax expenses	**-**	-

32 COMMITMENTS & CONTINGENCIES

PARTICULARS	31st March, 2019	31st March, 2018
a. Commitments:	**Rs. in Lakhs**	Rs. in Lakhs
Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances)	**4.80**	29.32
b. Contingent Liabilities:	**NIL**	NIL

33 DEFERRED TAX :

The company will create deferred tax assets on account of unabsorbed depreciation, current depreciation & temprory differences, when there is a reasonable certainity that there will be sufficient future taxable income available to realise such assets.

NOTES TO THE ACCOUNTS

34 **SEGMENT REPORTING :**

There are no seprate reportable segments as per Indian Accounting Standard (Ind AS) 108 on operating segments, as the entire operations of the company relates to one segment viz. agro chemicals.

35 PAYMENTS TO AUDITORS (excluding GST & Service Tax)

PARTICULARS	**31st March, 2019**	31st March, 2018
Statutory Audit Fees	**1,50,000**	1,50,000
Tax Audit Fees	**25,000**	25,000

36 **EMPLOYEES BENEFITS (Disclosure pursuant to Ind AS - 219)**

36.1 Gratuity - Defined Benefit Plan

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The scheme is funded through a policy with Life Insurance Corporation of India. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

PARTICULARS	**31st March, 2019**	31st March, 2018
A) Net employee benefit expense (recognised in Employee benefits expenses)		
Current service cost	**2,26,496**	3,61,029
Interest cost	**1,72,336**	1,45,613
Interest income on planned assets	**(38,187)**	(41,588)
Net actuarial(gain) / loss recognised in the period/ year	**(2,88,145)**	2,16,830
Benefits paid	-	-
Net employee benefit expenses	**72,500**	**6,81,884**
Actual return on plan asset	-	-
B) Amount recognised in the Balance Sheet		
Defined benefit obligation	**23,22,843**	22,29,444
Fair value of plan assets	**5,97,675**	4,21,959
	17,25,168	**18,07,485**
C) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	**22,29,444**	18,20,168
Current service cost	**2,26,496**	3,61,029
Interest cost	**1,72,336**	1,45,613
Settlement payments from -plan assets	**-**	(2,97,571)
Re-measurement due to financial assumptions	**15,892**	2,00,205
Re-measurement due to experiance assumptions	**(3,21,325)**	-
Closing defined benefit obligation	**23,22,843**	**22,29,444**
D) Change in the fair value of plan assets		
Opening fair value of plan assets	**4,21,959**	5,19,846
Expected return on plan assets	**38,187**	41,588
Contributions	**1,54,817**	1,74,721
Benefits paid	-	(2,97,571)
Remeasurement - Return on Assets	**(17,288)**	(16,625)
Actuarial gain/(loss) on plan assets	-	-
Closing fair value of plan assets	**5,97,675**	**4,21,959**

NOTES TO THE ACCOUNTS

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

PARTICULARS	31st March, 2019		31st March, 2018
Investments with Life Insurance Corporation of India	**100.00%**		100.00%
E) Remeasurement adjustments:			
Experience loss/ (gain) on plan liabilities	**-**		-
Experience loss/ (gain) on plan assets	**-**	-	-
Financial loss/ (gain) on plan liabilities	**-**	-	-
Financial loss/ (gain) on plan assets	**-**		-
Demographic loss/ (gain) on plan liabilities	**-**	-	-
Demographic loss/ (gain) on plan assets	-	-	-
Remeasurement gains/(losses) recognised in other comprehensive income:	-		**-**

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

PARTICULARS	31st March, 2019	31st March, 2018
Discount rate	**7.65%**	8.00%
Salary rise	**8.00%**	8.00%
Attrition Rate	**3.50%**	3.50%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year. The company expects to contribute Rs. 8.63 Lakhs to the funded plans in the financial year 2019-20. The plan assets have been invested in Insurance managed funds.

Amounts for the current and previous four periods are as follows:

PARTICULARS	31st March, 2019	31st March, 2018
Defined benefit obligation	**2,322,843**	2,229,444
Plan assets	**597,675**	421,959
Surplus / (deficit)	**1,725,168**	1,807,485

36.2 Compensated Absences

The company permits encashment of compensated absence accumulated by their employee at the end of the financial year. The liability in respect of the company, for outstanding balance of leave at the balance sheet date is determined and provided as at the balance sheet date. The company is of the opinion that compensated absences are payable within 12 months of their accural and thus, are not required to be actuarially valued.

37 RELATED PARTY DISCLOSURES :
Names of related parties and description of relationship

Name of the related party	Relationship
Enterprises under the significant influence of persons having significant influence over this company	
B and P Industries Limited	
Cosmic Agro Chemicals (Prop. Posani Fertilizers Limited)	
Key Management Personnel	
Pattabhi Rama Rao Posani	Managing Director
Praveen Kumar Posani	WTD & CFO
Rajya Lakshmi Posani	Director
Naga Uma Maheswara Prasad Aluri	Director
Venkata Satyanarayana Sankurathri Chowdary	Director
Sudhakar Chigurupati	Director
Parasharam Ramchandra Adav	Company Secretary

Note : Related party relationships have been identified by the management and relied upon by the auditors.

Transactions during the year:

PARTICULARS	31st March, 2019	31st March, 2018
a) Enterprises under the significant influence of persons having significant influence over this company		
i) B and P Industries Limited		
Loans repaid during the year	-	580,036

	31st March, 2019	31st March, 2018
b) Key Management Personnel		
i) Pattabhi Rama Rao Posani		
Remuneration	**24,00,000**	24,00,000
Unsecured loans taken	**24,77,884**	97,03,900
Unsecured loans Repaid	**71,41,316**	8,81,150
Interest on Unsecured loans	**16,57,444**	6,84,342
ii) Praveen Kumar Posani		
Remuneration	**24,00,000**	24,00,000
Unsecured loans taken	**1,27,15,000**	3,50,000
Unsecured loans Repaid	**77,77,047**	10,58,827
Interest on Unsecured loans	1**1,18,335**	3,57,557
iii) Parasharam Ramachandra Adav		
Remuneration	**1,80,000**	1,80,000

Closing Balances :

	31st March, 2019	31st March, 2018
a) Enterprises under the significant influence of persons having significant influence over this company		
i) B and P Industries Limited		
Unsecured Loans Payable	**15,84,279**	15,84,279
ii) Cosmic Agro Chemicals (Prop. Posani Fertilizers Limited)		
Unsecured Loans Payable	**1,06,91,000**	1,06,91,000
b) Key Management Personnel		
i) Pattabhi Rama Rao Posani		
Unsecured Loans Payable	**1,01,37,909**	1,31,43,897
ii) Praveen Kumar Posani		
Unsecured Loans Payable	**89,14,229**	28,57,941

38 FAIR VALUES

The carrying amounts and fair values of financial instruments by category are as follows:

	Carrying value		Fair value	
	31st March, 2019	31st March, 2018	**31st March, 2019**	31st March, 2018
Financial assets at fair value through profit & loss				
Investments				
Financial Assets at amortised cost				
Loans	**4,64,049**	4,79,349	**-**	-
Deposits & Others	**5,082**	5,857	**-**	-
Trade Receivables	**2,76,72,119**	1,16,77,947	**-**	-
Cash & Cash Equivalents	**1,36,909**	70,703	**-**	-
Bank Balances other than above	**0**	0	**-**	-
Financial Liabilities at amortised cost				
Borrowings (Non Current & Current)	**10,01,54,937**	9,39,43,050	**2,87,26,041**	2,61,14,477
Trade Payables	**3,98,14,765**	3,30,98,516	**-**	-
Capital Creditors & Others	**24,87,816**	37,84,308	**-**	-

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39. RISK MANAGEMENT

Financial Risk Management objectives & Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity expose it to market risk, commodity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company.

The Company's financial risk management policy is set by the Managing Director and governed by overall direction of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result oif changes in the interest rate, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivable, payables and loan and borrowings.

39.1 Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial conditions, current economic trends, and analysys of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

a) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

PARTICULARS	31st March, 2019	31st March, 2018
Not Due	**0**	0
0 - 90 Days	**2,08,51,098**	81,21,088
90 - 180 Days	**68,21,021**	33,99,223
180 - 270 Days	**0**	37,619
270 - 365 Days	**0**	1,20,017
More than 360 Days	**0**	0
	2,76,72,119	1,16,77,947

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

b) Cash and Cash Equivalents

The Company held cash and cash equivalents of Rs. 90,112 at March 31, 2019 (March 31, 2018: Rs. 70,703) The cash and cash equivalents are held with bank.

39.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund and non-fund based working capital loan from bank. The borrowed funds are generally applied for companys own operational activities.

Exposure to liquidity risk:

a) The following are the remaining contractual maturities of financial liabilities at the reporting date.
The amounts are gross and undiscounted :

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

PARTICULARS	Up to 1 Year	1 to 3 Year	3 to 5 Years	> 5 Years	Total carrying amount
31-Mar-19					
Non Current Borrowings (Including current maturities)	1,17,68,595	1,36,70,965	20,17,223	2,87,26,041	5,61,82,825
Current Borrowings	7,26,98,154	-	-	-	7,26,98,154
Trade Payables	3,98,14,765	-	-	-	3,98,14,765
Other Payables	24,87,816	-	-	-	24,87,816
	12,67,69,330	1,36,70,965	20,17,223	2,87,26,041	17,11,83,559

PARTICULARS	Up to 1 Year	1 to 3 Year	3 to 5 Years	> 5 Years	Total carrying amount
31-Mar-18					
Non Current Borrowings (Including current maturities)	1,16,66,277	1,91,54,269	79,54,829	2,61,14,477	6,48,89,852
Current Borrowings	5,51,67,675	-	-	-	5,51,67,675
Trade Payables	3,30,98,516	-	-	-	3,30,98,516
Other Payables	37,84,308	-	-	-	37,84,308
	10,37,16,776	1,91,54,269	79,54,829	2,61,14,477	15,69,40,351

b) Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. The company's exposure to the risk of changes in the market interest rate relates primarily to the company's long term debt obligations with floating interest rates.

The company's interest rate exposure is mainly related to varioable interest rates debt obligations. The Company manages the liquidity and fund requiremens for its day to day operations like working capital, suppliers/buyers credit.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	31st March, 2019	31st March, 2018
Floating rate instruments		
Financial Liabilities - measured at amortised cost		
Term loan from banks	**2,51,10,607**	3,61,63,428
Working capital facilities from bank	**5,36,46,015**	3,91,65,837
Fixed rate instruments		
Vehicle loan from others (Secured)	**23,46,176**	26,11,947
Loan from Directors (Unsecured)	**1,90,52,138**	1,60,01,838
Total	**10,01,54,937**	9,39,43,050

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant.. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31-Mar-19		
Variable rate loan instruments	**2,50,387**	2,34,858
31-Mar-18		
Variable rate loan instruments	**(2,50,387)**	(2,34,858)

39.3 a) Market Risk

Market risk is the possibilty of losses that may be incurred by the company due to factors that affect the overall performance of the company – such as foreign exchange rates, interest rates, recessions etc. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily due to the fluctuations in the rate of interest for borrowings from banks, recession in the market, foreign exchange rate fluctuation etc.

b) Currency Risk

The company deals in domestic market in the functional currency and does not have any exposure in foreign currency in operating activities and borrowings.

c) Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 & March 31, 2018 are in Indian Rupees.

40. CAPITAL RISK MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	31st March, 2019	31st March, 2018
Non Current borrowings	**4,44,14,230**	5,32,23,575
Current borrowings	**7,26,98,154**	5,51,67,675
Current maturities of long term debts	**1,17,68,595**	1,16,66,277
Total Debts	**12,88,80,979**	12,00,57,527
Less: Cash & Cash equivalents	**1,36,909**	70,703
Other bank deposits	**0**	0
Adjusted net debts	**12,87,44,069**	11,99,86,824
Equity	**51,980,330**	5,19,80,330
Other Equity	**3,53,81,852**	2,79,23,877
Total Equity	**8,73,62,182**	7,99,04,207
Adjusted net debt to equity ratio	**1.47**	1.50

41. Figures of the Previous year are regrouped / reclassified wherever considered necessary and rounded off to the nearest rupee.

As per our report of even date attached.
for **S Singhvi & Co.**
Chartered Accountants
Firm Regi. No. 0038725

Shailendra Singhvi
Proprietor
M.No. 023125/ICAI

Place: Hyderabad
Date : 29.05.2019

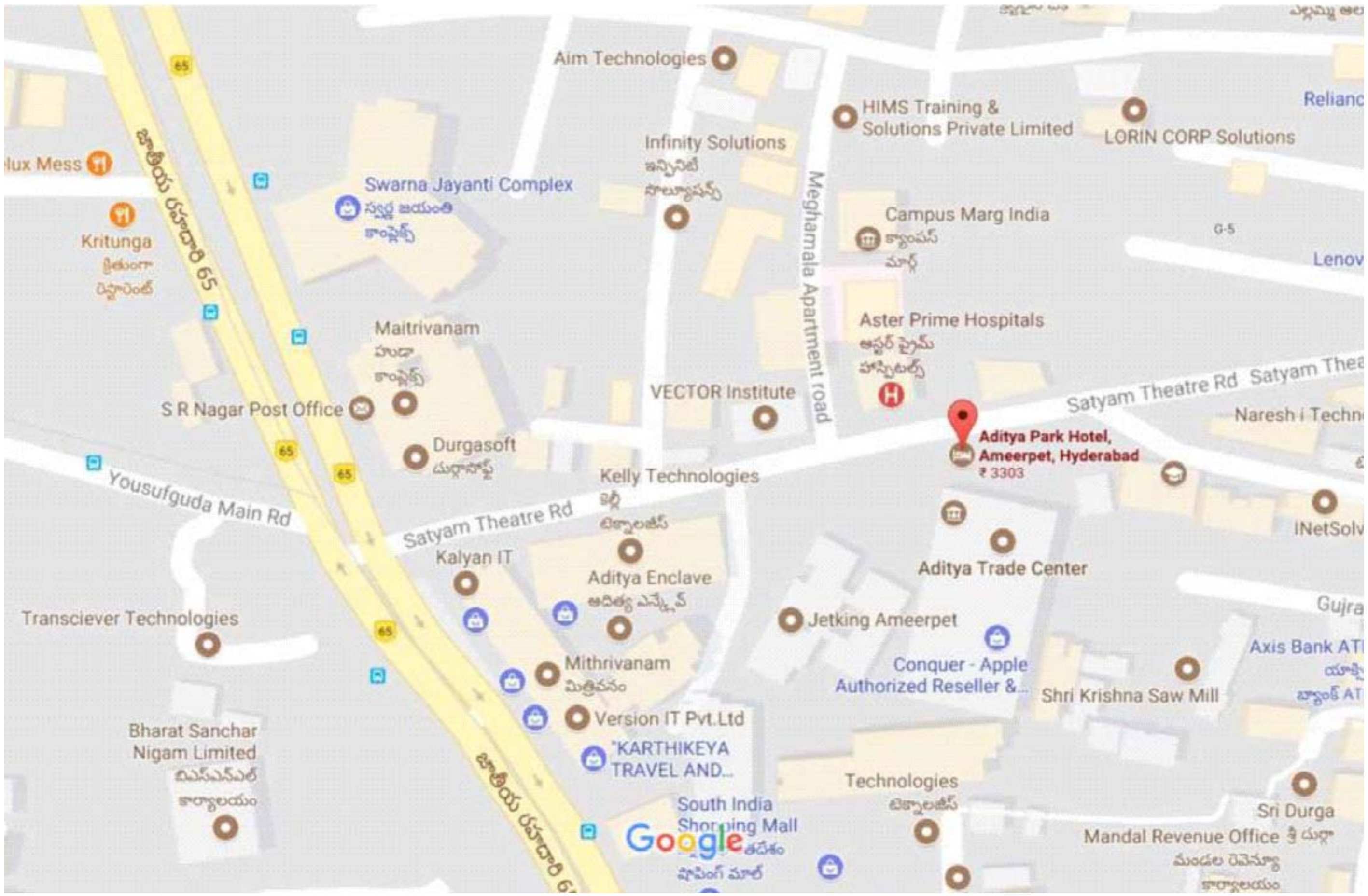
For and on behalf of the Board
BHASKAR AGROCHEMICALS LIMITED

P.PRAVEEN KUMAR
Wholetime Director & CFO
DIN : 00353720

P.PATTABHI RAMA RAO
MANAGING DIRECTOR
DIN : 00353641

Sd/-
PARASHARAM RAMCHANDRA ADAV
Company Secretary

ROUTE MAP Aditya Park Hotel, Ameerpet, Hyderabad



BHASKAR AGROCHEMICALS LIMITED

Regd. Office : 6-3-347/9, 503, Riviera Apartment,
Dwarka Puri Colony, Panjagutta, Hyderabad – 500082, Telangana.

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]*

CIN : L24219TG1988PLC008331

Name of the company : **BHASKAR AGROCHEMICALS LIMITED.**

Registered office : 6-3-347/9, 503, Riviera Apartment, Dwarka Puri Colony, Panjagutta, Hyderabad – 500082, Telangana.

Name of the member(s):
Registered Address:
E-mail Id:
Folio No./Client Id:
DP ID:

I/We, being the member(s) of___________ shares of the above named company, hereby appoint:

1. Name: ……………………..
Address: ....
E-mail Id: ....
Signature: ……...………, or failing him

2. Name: ……………………..
Address: ....
E-mail Id: ....
Signature: ……...………, or failing him

3. Name: ……………………..
Address: ....
E-mail 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 31st Annual General Meeting of the Company, to be held on Saturday, 28th of September, 2019 at 10.00 A.M. at Aditya Park, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of financial statements for the year ended 31.03.2019.
2. Appointment of a director in place of Mr. P. Praveen Kumar who retires by rotation and being eligible offers himself for re-appointment.

Affix
Revenue
Stamp

Signed this …….. day of………....................……… 2019

Signature of shareholder

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.

BHASKAR AGROCHEMICALS LIMITED

Regd. Office : 6-3-347/9, 503, Riviera Apartment,
Dwarka Puri Colony, Panjagutta, Hyderabad – 500082, Telangana.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 31st Annual General Meeting of the members of the company to be held on Saturday, 28th of September, 2019 at 10.00 A.M. at Aditya Park, Aditya Trade Centre, Ameerpet, Hyderabad – 500 038, Telangana and at any adjourned meeting thereof.

Shareholders/Proxy's Signature___________________________________

Shareholders/Proxy's full name___________________________________
(In block letters)

Folio No.: ______________________________ Client ID____________________________

DP ID: ________________________________

No. of shares held_______________________

Note :

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.