

Balaji
AMINES LTD.

25th Annual Report 2012-13




BALAJI
SAROVAR PREMIERE
solapur

A DIVISION OF BALAJI AMINES LIMITED

Solapur's first world class luxury destination!

Manufacturing Leadership Awards & Conclave 2011



Mr. A. Prathap Reddy, the Chairman and Managing Director of BAL have been honored with the Manufacturing Leadership Awards & Conclave 2011 instituted by industry 2.0 magazine, a publication of 9.9 Media which seek to recognize senior manufacturing executive having immense expertise in their respective manufacturing areas and have demonstrated remarkable and outstanding excellence.

The Award is received by Mr. N. Rajeshwar Reddy, the Joint Managing Director of the company on behalf of Mr. A Prathap Reddy , the Chairman & Managing Director of the company.

Best Manufacturer – Exporter (Medium)” at ‘Indian Exporter Excellence Awards 2012



Balaji Amines Limited has been Awarded for the category of “Best Manufacturer – Exporter (Medium)” at the ‘Indian Exporter Excellence Awards 2012 instituted by the Export Credit Guarantee Corporation of India Limited (ECGC)[An Indian Govt. Undertaking], in association with Dun and Bradstreet (D&B), which seeks to recognize leading exporters for their excellence in their respective fields.

The Award is received by Mr. A Prathap Reddy , Chairman & Managing Director of the company from Mr. S. R. Rao, the Secretary Ministry of Commerce & Industry, Government of India.

Board of Directors

Mr.A. Prathap Reddy	Chairman & Managing Director
Mr. N. Rajeshwar Reddy	Joint Managing Director
Mr. D. Ram Reddy	Joint Managing Director
Mr. G. Hemanth Reddy	Whole-time Director
Mr.A. Srinivas Reddy	Whole Time Director
Mr.T. Naveena Chandra	Independent Director
Mr. S.V. Pattabhiraman	Independent Director
Mr. M.Amarender Reddy	Independent Director
Mr. C.S.N. Murthy	Independent Director
Mr. Kashinath R Dhole	Independent Director

Ms.Arati S. Dudhawale	Company Secretary
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Audit Committee

Mr.T. Naveena Chandra	Chairman
Mr. M.Amarender Reddy	Member
Mr. S .V. Pattabhi Raman	Member
Mr. C.S.N. Murthy	Member

Shareholder's / Investor's Redressal Committee

Mr. M.Amarender Reddy	Chairman
Mr.A. Prathap Reddy	Member
Mr.G. Hemanth Reddy	Member

Research & Development Committee

Mr.A. Prathap Reddy	Chairman
Mr. N Rajeshwar Reddy	Member
Mr.A. Srinivas Reddy	Member

Remuneration Committee

Mr. S.V. Pattabhi Raman	Chairman
Mr.T. Naveena Chandra	Member
Mr. M.Amarender Reddy	Member

Registered Office

Balaji Towers, No. 9/1A/1,
Aasara Chowk, Hotgi Road,
Solapur, Maharashtra - 413224.

Administrative Office

3rd Floor, KPR House,
Sardar Patel Road,
Secunderabad - 500003, A.P.

Auditors

M/s.V. Sridhar & Co.,
Chartered Accountants,
No. 12-2-823/A/78, Geeta Apartments,
Santoshnagar Colony, Mehdiapatnam,
HYDERABAD – 500 028.

Practicing Company Secretary

M/s. P.S. Rao & Associates,
Flat No. 10, 4th Floor,
6-3-347/22/2, Ishwarya Nilayam,
Opp: Sai Baba Temple,
Dwarakapuri Colony, Panjagutta,
HYDERABAD- 500 082.

Cost Accountant

N.V.S. Kapardhi,
1-9-1113/17/B, Dayanand Nagar,
Vidhya Nagar,
HYDERABAD – 500 044.

Bankers

State Bank of Hyderabad
State Bank of India
ING Vysya Bank
Bank of Baroda

Share Transfer Agents

Venture Capital and Corporate Investments Pvt. Ltd.,
(CATEGORY-I REGISTRARS),
12-10-167, Bharatnagar,
HYDERABAD - 500018.
Ph: 040-23818475/476; Fax: 040-23868024;
email: info@vccilindia.com

Factories

Unit 1

Tammalwadi Village,
Tuljapur Taluk ,
Osmanabad District,
Maharashtra - 413623.

Unit 2

Plot No 4 & 5,
Beside APSEB Sub-Station 2,
IDA Bollaram,
Medak District, A.P – 502 325.

Unit 3

Plot No E-7 & E-8,
MIDC, Chincholi,
Solapur, Maharashtra - 413255.

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CHAIRMAN'S MESSAGE

HIGH LIGHTS

Gross Sales up 14.48%, from Rs 485.96 crores to Rs 556.33 crores

Net Sales up 13.85%, from Rs 449.52 crores to Rs 511.80 crores

EBITDA up 1% from Rs 83.50 crores to Rs 83.93 crores

Exports up 24.69% from Rs. 105.48 Crore to Rs. 131.52 Crore

Dear Shareholders,

Warm greetings to you all.

The performance of your company during 2012-13 was exceptional considering challenging scenario of Economy. Your company was able to post consistent performance even under these adverse economic conditions.

During the year, your company has achieved 14.48% growth in gross sales of Rs. 556.33 crs. from Rs.485.96 Cr during 2011-12. Exports during the year were Rs. 131.52 Cr against Rs105.48 Cr last year.

During the year, the Company has received REACH Certificate for the products namely, Triethylamine, Gammabutyrolactone, N-Ethylamine-2-Pyrrolidone along with the already registered N-methyl 2 Pyrrolidone (NMP) which enables the company to increase exports to Europe.

Further, two new plants, one for the first phase of Di-Methyl Amine Hydrochloride (DMA-HCL) with an installed capacity of 7500 MT per annum commissioned in the month of Feb, 2013 and second plant for manufacture of Di Methyl Formamide (DMF) with an installed capacity of 30000 MT / P.A at MIDC Chincholi, Solapur has been commissioned in the month of March, 2013. This capacity expansion is expected to add both to the topline and bottom line in the coming financial years after normal plant stabilization and customer approvals of the products.

During the year, the PVP K 30 manufacturing facility has received COS (Certificate of Suitability) from EU. This enables the company to export PVP K 30 to regulated markets in the Europe Union. The plant which is the only plant in India to manufacture PVP K 30 has also been successfully audited by multiple multinational auditing agencies as well as customers.

Your company is India's only manufacturer of specialty chemicals like NMP, GBL, Morpholine, PVP K 30, NEP, etc. The plants for these products have been developed indigenously by the company's in-house R&D team. The quality of these products is on par with international standards and is commanding 100% import substitute in India.

Some of the above products are being exported to major customers worldwide. Your company has become one of the leaders in Specialty Chemicals among International Specialty Chemical Industry and plans to be among top ten companies in the years to come.

Some of the expansion/diversification activities taken up during the year are:

- Second phase plant for manufacture of Di-Methyl Amine Hydrochloride (DMA-HCL) with an installed capacity of 7500 MT per annum at MIDC, Chincholi, Solapur, Maharashtra has been taken up and expected go on stream by end of the FY 2014.
- Finishing works are in full swing for 128 Room Hotel Property at Solapur to be operational by September, 2013. The operator SAROVAR GROUP has already recruited their team and they are working on final details for operations of the property.

Some of the achievements/awards received during the year.

- **Manufacturing Leadership Awards & Conclave 2011**
Mr.A.Prathap Reddy, the Chairman and Managing Director of BAL have been honored with the Manufacturing Leadership Awards & Conclave 2011 instituted by industry 2.0 magazine, a publication of 9.9 Media which seek to recognize senior manufacturing executive having immense expertise in their respective manufacturing areas and have demonstrated remarkable and outstanding excellence.
- **Best Manufacturer – Exporter (Medium)” at ‘Indian Exporter Excellence Awards 2012**
Balaji Amines Limited has been Awarded for the category of “Best Manufacturer – Exporter (Medium)” at the ‘Indian Exporter Excellence Awards 2012 instituted by the Export Credit Guarantee Corporation of India Limited (ECGC)[An Indian Govt. Undertaking], in association with Dun and Bradstreet (D&B), which seeks to recognize leading exporters for their excellence in their respective fields.

With all the above additions, I am confident that your company will continue its growth path in the coming years. I take this opportunity to thank all our shareholders, clients, Banks, Government of India, Government of Maharashtra, suppliers, partners and employees for their continued support and look forward to the same in the future.

With best wishes,

A Prathap Reddy
Chairman & Managing Director

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of Balaji Amines Limited will be held on Monday, the 30th Day of September 2013 at 11:30 A.M at the registered office of the company at Balaji Towers, No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur 413224 to transact the following business:-

ORDINARY BUSINESS

- **Item 1:**

To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended on 31st March, 2013 and the Balance Sheet as at that date and also the reports of Auditors' and Board of Directors thereon.

- **Item 2:**

To declare dividend on equity shares for the financial year ended 31st March, 2013.

- **Item 3:**

To appoint a Director in place of Sri. D. Ram Reddy who retires by rotation and being eligible offers himself for re-appointment.

- **Item 4:**

To appoint a Director in place of Sri. T. Naveena Chandra who retires by rotation and being eligible offers himself for re-appointment.

- **Item 5:**

To appoint M/s. V. Sridhar & Co., Chartered Accountants, Hyderabad as Statutory Auditors, who shall hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Chairman & Managing Director to fix their remuneration

SPECIAL BUSINESS

- **Item 6:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and, Sri. A. Prathap Reddy be and is hereby reappointed as Chairman & Managing Director of the company for a period of 3 years with effect from 01.04.2013 on the following remuneration as approved by the remuneration committee :

I Salary Rs. 2, 50,000/- p.m.

II Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding Rs.25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20 % of basic salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

- i) The Chairman & Managing Director will be eligible for an annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2014.
- j) The Chairman & Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Upto 5% of the net profits of the year as computed according to the Companies Act, 1956.

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 5% of the net profits or any such higher limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr.A. Prathap Reddy and accepted by the Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule XIII to the Companies Act, 1956 from time to time.

• Item 7:

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri. N Rajeshwar Reddy be and is hereby reappointed as Whole Time Director and subsequently re- designated as Joint Managing Director of the company for a period of 3 years with effect from 01.04.2013 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 2, 00,000/- p.m.

II Perquisites:

- a) House Rent Allowance: 25% of the Salary.
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding Rs.25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Joint Managing Director will be eligible for an annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2014.
- j) The Joint Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment etc.,) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 2% of the net profits of the year computed according to the Companies Act, 1956.

III. Overall Remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 2% of the net profits or any such higher limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Sri. N Rajeshwar Reddy and accepted by the Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule XIII to the Companies Act, 1956 from time to time."

• Item 8:

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and Sri. D. Ram Reddy be and is hereby reappointed as Whole Time Director and subsequently re-designated as Joint Managing Director of the company for a period of 3 years with effect from 01.04.2013 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 2, 00, 000/- p.m.

II Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & Family once in 4 years
- c) Premium on personal Accident Insurance and Mediclaim premium for self and family not exceeding Rs.25,000/- Per annum. For the purpose of this category 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company's Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facility at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Joint Managing Director will be eligible for an annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2014.
- j) The Joint Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment etc.,) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 2 % of the net profits of the year computed according to the Companies Act, 1956.

III. Overall Remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 2% of the net profits or any such higher limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Sri. D Ram Reddy and accepted by the Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule XIII to the Companies Act, 1956 from time to time.

• Item 9:

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and Sri. G. Hemanth Reddy be and is hereby reappointed as a Whole Time Director of the company for a period of 3 years with effect from 01.04.2013 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 2, 00, 000/- p.m.

II Perquisites:

- a) House Rent Allowance: 25% of the Salary.
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & Family once in 4 years.
- c) Premium on personal Accident Insurance and Mediclaim premium for self and family not exceeding Rs.25,000/- Per annum. For the purpose of this category ‘Family’ means spouse, dependent children and dependent parents.
- d) Use of Company’s Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facility at residence
- g) Provident fund: Company’s contribution to provident fund not exceeding 20% of salary.
- h) Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service.
- i) The whole time director will be eligible for annual increment of Rs. 10, 000/- p.m. The first annual increment shall accrue to him on 1st April, 2014.
- j) The Whole Time Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment etc.,) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Upto 1% of the net profits of the year computed according to the Companies Act, 1956.

III. Overall Remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 1% of the net profits or any such higher limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Sri. G Hemanth Reddy and accepted by the Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule XIII to the Companies Act, 1956 from time to time.

• **Item 10:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT Sri. A. Srinivas Reddy, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director liable to retire by rotation.”

• **Item 11:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri. A. Srinivas Reddy be and is hereby appointed as Director (Projects) of the company for a period of 3 years with effect from 11.05.2013 on the following remuneration as approved by the remuneration committee.

I Salary Rs. 1, 00,000/- p.m.

II Perquisites:

- a) House Rent Allowance : 25% of the Salary
- b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
- c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding Rs.25,000/- Per annum. For the purpose of this category, 'Family' means spouse, dependent children and dependent parents.
- d) Use of Company Car with Driver.
- e) Mobile Phone Facilities.
- f) Telephone facilities at residence
- g) Provident fund: Company's contribution to provident fund not exceeding 20% of basic salary.
- h) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- i) The Director (Projects) will be eligible for an annual increment of Rs. 10,000/- P.M. The first annual increment shall accrue to him on 1st April, 2014.
- j) The Director (Projects) shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling, entertainment, etc.) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.

III. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule XIII to the Companies Act, 1956 from time to time.

FURTHER RESOLVED THAT in case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Sri. A. Srinivas Reddy and accepted by the Remuneration Committee.”

• **Item 12:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT Sri Kashinath Revvappa Dhole who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such up to the date of this Annual

General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director liable to retire by rotation.”

- **Item 13**

Increase in borrowing powers pursuant to section 293 (1)(d) of the Companies Act, 1956 upto Rs. 1000 crore.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an “Ordinary Resolution”:

“RESOLVED THAT in supersession of the resolution passed at the 22nd Annual General Meeting of the Shareholders of the Company held on 08th September, 2010, and subject to approval of the members of the Company, the consent of the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, be and is hereby granted for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company’s Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.1000 Crores (Rupees One thousand Crores only)”.

By Order of the Board Of Directors
For **BALAJI AMINES LIMITED**

Place : Secunderabad
Date : 25.07.2013

A. PRATHAP REDDY
Chairman & Managing Director

NOTES:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and a proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the company not later than 48 hours before the commencement of the meeting.
- b) The register of members and share transfer books of the company will remain closed from 25-09-2013 to 30-09-2013 (both days inclusive). The dividend if declared will be paid to the Members, whose names appear in the register of members as on 30-09-2013.
- c)
 - (i) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Transfer Agents of the company namely M/s. Venture Capital and Corporate Investments Private Limited having its Office at 12-10-167, Bharat Nagar, Hyderabad – 500018 quoting their folio Numbers.
 - (ii) In order to avoid fraudulent encashment of dividend warrants, Members holding shares in physical forms are requested to send to the Registrar and Transfer Agents of the company, on or before 25-09-2013 a Bank Mandate (providing details of name and address of banker, branch, PIN code and particulars of bank accounts) or changes thereon, if not provided earlier, under the signature of the sole / first holders along with the folio numbers. This information will be printed on the dividend warrants. You may avail of the Electronic Clearing Service (ECS) mandate facilities provided by the company.
- d) Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank account details. ECS mandates, nominations, power of attorney, change of address/ name etc. to their depository participant only and not to the company or its Registrar and Transfer Agent. The said nominations will be automatically reflected in the Company's records.
- e) Shareholders who have not yet encashed their dividend warrant for the year 2005-06 and subsequent years may approach the company for re-validation, issue of duplicate warrants etc. Dividends remained unclaimed for the period over 7 years from the date of declaration will be transferred to Investor Education and Protection Fund as per law.
- f) Consequent upon the introduction of Section 109 A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No. 2B in duplicate to the company.
- g) Pursuant to the requirements on the Corporate Governance under the listing agreement entered into with stock exchanges, the information about the Directors proposed to be appointed /re- appointed is given in the annexure to the notice.
- h) Members desirous of getting any information about the accounts and / or operations of the company are requested to write to the company at least seven days before the date of the meeting to enable the company to keep the information ready at the meeting.
- i) All the documents referred to in the Notice and explanatory statement will be available to the members at the Registered office of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
- j) Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to the shareholders in electronic form instead of the paper form. **Members are requested to send/ update their email address with their Depository or Registrar and Transfer Agents of the Company.**
- k) Explanatory Statement pursuant to the provisions of section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed herewith.

By Order of the Board Of Directors
For **BALAJI AMINES LIMITED**

Place : Secunderabad
Date : 25.07.2013

A. PRATHAP REDDY
Chairman & Managing Director

EXPLANATORY STATEMENT

Explanatory Statement under section 173 (2) of the Companies Act, 1956

Item No. 06 to 09

At the 22nd Annual General Meeting of the Company held on 1st day of September, 2010, the members had approved the re-appointment and terms of remuneration of Mr.A. Prathap Reddy as Managing Director, Mr. N. Rajeshwar Reddy as Executive Director, Mr. D. Ram Reddy as Director-Commercial & Mr. G. Hemanth Reddy as Whole time director for a period of 3 years w.e.f. from 1st April, 2010. The Board of Directors at its Meeting held on 15th February, 2013 has re-appointed Mr.A. Prathap Reddy as Chairman & Managing Director, Mr. N. Rajeshwar Reddy as Whole Time Director and subsequently as Joint Managing Director, Mr. D. Ram Reddy as Whole Time Director and subsequently Joint Managing Director & Mr. G. Hemanth Reddy as Whole time director for a period of three years w.e.f from 1st April, 2013, subject to the approval of the Members at the remuneration Committee stated in the resolution no. 6,7,8 & 9. The said remuneration was approved by the Remuneration Committee of the Company at their meeting held on 15th February, 2013.

The Brief Profile of Directors being reappointed is as follows:

Mr.A Prathap Reddy is a Civil Engineer by qualification and started his career in the year 1970 working for a company engaged in manufacturing of RCC spun pipes. In the year 1988 he incorporated Balaji Amines Limited for the manufacture of Methyl and Ethyl Amines. BAL's continuing success is a testimony to the entrepreneurial skills of Mr.A. Prathap Reddy. His vision and perseverance today has taken the Company as one of the leading manufacturers and exporters of specialty chemicals, aliphatic amines and derivatives in the entire Chemical Industry. Mr.A. Prathap Reddy received an award for his contribution in World Class Manufacturing and Operational Excellence for the year 2011, in the Manufacturing Leadership Awards & Conclava 2012 instituted by the Industry 2.0 magazine, a publication of 9.9 Media which seeks to recognize senior manufacturing executives who have demonstrated remarkable and outstanding excellence in their respective areas.

Mr. N. Rajeshwar Reddy is a commerce graduate having more than three decades of experience spread across different Industries. He started his career as a Manager in Bharat Cement Pipe Industries, in 1976 and in 1982 founded Bhagyanagar Potteries and managed the unit till 1985. In 1985, he joined Balaji Cement Products (Pvt.) Ltd as Executive director and successfully implemented the project, before joining Balaji Amines Ltd as Director in 1988. He is responsible for the day to day operations at the plants in Solapur. He has been instrumental in executing the projects in time with lowest cost of investments well within time schedules. He is also responsible for perfecting the processes of various products to achieve optimization of cost of utilities etc.,

Mr. D. Ram Reddy is a graduate having more than 30 years of experience spread across various businesses. He joined Bharat Cement Pipe Industries, Hyderabad as Manager in 1980. In 1985, he promoted Balaji Cement Products Pvt Ltd and successfully managed the Company before joining Balaji Amines as Director in 1988. He is responsible for the procurement, marketing and logistics activities of the Company. He has played a key role in establishing customer and supplier's relationship with leading buyers and suppliers of specialty chemicals both within the country and also abroad. He was instrumental in achieving first of its kind large scale supply contract arrangement with world's leading company in speciality chemicals.

Mr. G. Hemanth Reddy is a post graduate in management with Finance and Marketing as specialisation having more than 20 years of experience spread across various businesses. He has been instrumental in setting up of Bhagyanagar Woodplast Limited and successfully managed the IPO of Bhagyanagar Woodplast. As an Executive Director, he has implemented various projects globally such as water supply projects in Africa, Solar project in Africa and Rural electrification and Global Sourcing of material for various water supply projects in Africa. He joined Balaji Amines Limited as Whole Time Director responsible for finance, operations and administration of Unit-II of the Company.

The appointment and remuneration payable to Mr.A. Prathap Reddy as Chairman & Managing Director, Mr. N. Rajeshwar Reddy as Joint Managing Director, Mr. D. Ram Reddy as Joint Managing Director and Mr. G. Hemanth Reddy as whole time Director requires the approval of the shareholders in general meeting by way of Ordinary Resolution in terms of provisions of Part III of Schedule XIII of the Companies Act, 1956.

Keeping in view the experience and expertise of these persons, the Board commends the Resolutions at Item nos. 06 to 09 for approval by the Members.

Mr. A. Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D. Ram Reddy and Mr. G. Hemanth Reddy, A. Srinivas Reddy Directors of the Company are concerned or interested in this resolution. None of the other directors are concerned or interested in this resolution.

Item No. 10 & 11

The Board of Directors co-opted Sri.A. Srinivas Reddy, as Additional Director w.e.f 11.05.2013. As per the provisions of Section 260 of the Companies Act, 1956, he holds office of Director upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a Member of the Company along with a deposit of Rs.500/- under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri.A. Srinivas Reddy for the Office of Director whose period of office is determinable by retirement of Directors by rotation. As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their Meeting.

The Board of Directors at its Meeting held on 11.05.2013 has re-appointed Mr.A. Srinivas Reddy as Director (Projects) for a period of three years w.e.f from 11.05.2013, subject to the approval of the Members at the remuneration stated in the resolution no. 11.

Mr.A. Srinivas Reddy has completed his masters in Computer Science from USA. He earlier worked with a globally renowned MNC as Management Consultant and gained immense experience and knowledge as Project Manager, handling multiple projects across the globe. His Brief profile is annexed hereto under the head "Additional Information"

Hence, the resolution is commended for your approval.

Mr.A. Prathap Reddy, Mr. N. Rajeshwar Reddy, Mr. D Ram Reddy and Mr. G. Hemanth Reddy, Mr. A. Srinivas Reddy Directors of the Company are concerned or interested in this resolution.

Item No.12

The Board of Directors co-opted Sri Kashinath R Dhole, as Additional Director w.e.f 11.05.2013. As per the provisions of Section 260 of the Companies Act, 1956, he holds office of director upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a Member of the Company along with a deposit of Rs.500/- under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri Kashinath R Dhole for the Office of Director whose period of office is determinable by retirement of Directors by rotation. As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their Meeting.

Hence, the resolution is commended for your approval.

The profile of the said director is annexed hereto under the head "Additional Information"

None of the Directors is interested in the above said resolution.

Items No. 13

Members of the Company at the 22nd Annual General Meeting held on 1st September, 2010 have accorded their consent under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors to borrow monies apart from the temporary loans in aggregate upto Rs. 500 Crores.

As the Company is expanding its operations the company would require to borrow funds from time to time by way of loans or otherwise beyond the existing limit which is insufficient. Hence, the Board seeks the Members approval to increase the existing limit of Borrowing to Rs 1000 Crores.

The Directors recommends the resolution for member's approval.

None of the Directors of your Company is concerned or interested in this resolution, except to the extent of equity shares held by them.

ADDITIONAL INFORMATION

(pursuant to Clause 49 IV (G) of the Listing Agreement- Information of directors proposed to be appointed/ re-appointed)

Name of the Director	Date of Birth	Date of appointment on the Board	Qualification, Experience & Expertise	Directorship in other public companies (excluding foreign companies and Section 25 Companies)	Share holding
A. Prathap Reddy	16.09.1951	27.10.1988 (Managing Director w.e.f. 10.04.1989)	He is a Civil Engineer by Qualification. He has over 40 year of experience across variety of Industries.	1. Balaji Greentech Products Limited 2. Bhagyanagar Chemicals Limited 3. APR Holdings And Investments Private Limited	48,88,050 (15.09%)
N. Rajeshwar Reddy	02.02.1955	27.10.1988	He holds a Bachelor's degree in Commerce and has over 30 years of experience across variety of industries.	1. Balaji Greenfield Techno Ventures Private Limited 2. Tirumala Precicasts Pvt. Ltd. 3. Balaji Speciality Fine Chem Products Private Limited	5,94,895 (1.84%)
D. Ram Reddy	20.10.1961	15.01.1989	He holds a Bachelor's degree in Commerce and has over 30 years of experience in various functions of variety of industries.	1. Balaji Sourcings Private Limited 2. Balaji Greenfield Techno Ventures Private Limited 3. Tirumala Precicasts Pvt. Ltd. 4. Balaji Accu Preci Parts Pvt. Ltd. 5. SVS Products Private Limited 6. SVS Medicare Private Limited 7. Balaji Benzochem Private Limited 8. Balaji Specialty Fine Chem Products Private Limited 9. SVS Food Processors Private Limited	466905 (1.44%)
G. Hemanth Reddy	19.06.1966	28.07.2005	Sri G. Hemanth Reddy is post graduate in management and has over 20 years of experience in various industries.	1. Balaji Greentech Products Limited 2. Bhagyanagar Chemicals Limited.	7,05,020 (2.18%)
A. Srinivas Reddy	10.05.1975	11.05.2013	He is a Post Graduate in Computer science. presently pursuing with executive management programme at Indian School of Business (ISB) Hyderabad. He started his career in one of largest management consulting firms in USA , Capgemini as a management consultant. and worked in various capacities in different countries. He is currently managing a KPO with offices in India and USA. He has worked as project manager on multiple projects at large fortune 100 US companies including Sprint, Goodyear, Agilent technologies Cummins Inc, etc.	One Med Space India Pvt. Ltd., Balaji Benzochem Pvt. Ltd.,	1582000 (4.88%)

T. Naveena Chandra	28.11.1960	24.06.1996	He holds a Bachelor's degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India. He has over 25 years of rich and varied experience in the fields of Finance, Taxation, Projects, and Capital Markets.	1. Saaketa Consultants Limited 2. Zenith Alternative Energy Ventures Private Limited 3. Saaketa Finstock (P) Ltd 4. CHJ Securities (P) Ltd	50
Kashinath R Dhole	01.06.1949	11.05.2013	He holds, Masters in Science (Chemistry). He started his career as a Chemist for 10 years in a MNC, manufacturing Brake Linings and Cloth Facings and became an Entrepreneur. Presently Managing Director of Kross International Private Limited Solapur.	1. Kross International Pltd. 2. Lokmangal Hospitals Private Limited 3. Aadhar Life Sciences Private Limited.	NIL

Registered office:

Balaji Towers, No. 9/1A/1,
Aasara Chowk, Hotgi Road,
Solapur 413224

By Order of the Board Of Directors
For **BALAJI AMINES LIMITED**

Place : Secunderabad

Date : 25.07.2013

A. PRATHAP REDDY
Chairman & Managing Director

DIRECTORS' REPORT

Dear Shareholders

Your Directors have immense pleasure in presenting the Twenty Fifth Annual Report of the company with Audited Financial Statements for the year ended 31st March, 2013.

FINANCIAL RESULTS

The performance for the current year in comparison to the previous year are as under:

(Rupees In Lakhs)

Sl. No.	Particulars	Current Year (2012-2013)	Previous Year (2011-2012)
1.	Gross Sales	55633.36	48595.72
2.	Less: Excise Duty	4453.76	3643.37
3.	Net Sales	51179.60	44952.35
4.	Other Income	371.04	284.51
5.	Total Income	51550.64	45236.87
6.	Expenditure	43158.00	36886.90
7.	Profit before interest, depreciation and tax	8392.62	8350.03
8.	Depreciation	1268.79	1034.50
9.	Profit before interest & tax	7123.84	7261.30
10.	Interest and Finance Charges	2540.12	2120.57
11.	Prior Period items	11.88	79.12
12.	Profit before tax	4595.60	5274.07
13.	Provision for taxes (including DTL)	1477.25	1707.90
14.	Profit after tax	3118.35	3566.17
15.	Dividend for the year (including corporate dividend tax)	489.55	301.26
16.	Transfer to reserve	311.84	356.62
17.	Balance carried forward to Balance Sheet	2316.96	2908.29
18.	Reserves(Excluding Revaluation reserves)	16600.33	13957.84
19.	EPS (Rs) on face value of Rs. 2/- each share	9.62	11.01

OPERATING RESULTS AND BUSINESS

The Company has performed well overall inspite of the slowdown of Global economy and decline in the growth of Majority of domestic Chemical Companies. Your company has achieved a Gross turnover of Rs. 556.33 Crore as compared to Rs. 485.95 Crore during the previous year. Your company registered an impressive year on year growth of 14.48% in gross sales. Profit After Tax stands at Rs. 31.18 Crore in the current year as compared to Rs. 35.66 Crore for the previous year which has marginally declined due to various factors.

With efficient usage of plants, product mix, increase in value chain and increase in plant efficiencies which has optimised the consumption co-efficients of materials compared to previous year and stringent cost control measures implemented in almost all the areas possible by all the team members at all plants your Company was able to showcase its performance and has demonstrated resilience performance in these competitive market.

EXPORTS

The exports of the company continues to drive the growth. It has increased by 24.69% over the previous year figures of Rs. 105.48 Crore to Rs. 131.52 Crore. The Company's products are well placed in the Global Market. During the year, your company has received Certificate of Suitability for PVP K-30 from EU regulatory authorities which go through stringent Quality checks before awarding the same. Your company is the first company to register for this product from India. Your company has additionally registered 3 of selected products from its portfolio under REACH certification and confident in improving Exports to European markets after REACH deadlines.

DIVIDEND

Your Directors have pleasure in continuing to maintain the track record of declaring dividends to shareholders and are pleased to recommend for approval of the members a dividend of Rs 0.80/- per share (40% on paid up value of Rs.2/- per share). The Company is in its silver jubilee year of existence. During its journey of 25 years, the company has achieved new heights and crossed various milestones and is placed as a market leader in manufacturing of amines and specialty chemicals. Considering the Silver Jubilee year, your Director's have proposed to declare a Special Dividend of 25% i.e. Rs.0.50 per Share over and above the regular dividend.

With this, the total dividend works out to Rs.1.30/- per share of Rs. 2/- face value. The total cash outflow on account of dividends payable including dividend distribution tax payable is Rs.489.55 lacs.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 311.84 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 2316.96 lacs is proposed to be retained in the statement of Profit and Loss.

RESEARCH & DEVELOPMENT

Continuous R&D initiatives have yielded results during the year with major reductions in consumption co-efficients and productivity has gone up vis-a-vis utilization of resources. Your company has become one of the leaders in Specialty Chemicals in the International Specialty Chemical Industry and plans to be among the leaders in the years to come.

Your Company has been carrying out continuous Research and Development in the following activities.

- Unit – 3 R&D Centre, has been awarded recognition by Government of India, Ministry of Science and Technology in recognition of the facilities provided for carrying out R&D.
- Fine tuning of Reverse Osmosis system at Unit – 3 resulting in substantial reduction in impurities treatment as well as better improved performance of Cooling towers. The same is being explored for Unit – I implementation.
- Several improvements in Polyvinyl Pyrrolidone plant resulting in lower consumption coefficients as well as research on addition of new products using the same equipment.
- Identification of a New products and development of latest process technologies including extracts from Soy waste as well as other natural product extracts.
- Continuous improvement of processes and fine tuning process parameters to optimize utilization of energy, utilities and raw materials consumption.
- Backward and forward integration of products to improve value chain
- Adoption of advanced technology in improvement of processes resulting in minimizing the impact on environment

EXPANSION / DIVERSIFICATION

The following expansion/ diversification projects were undertaken during the year 2012-13:

- New plant for the first phase of Di-Methyl Amine Hydrochloride (DMA-HCL) with an installed capacity of 7500 MT per annum at MIDC, Chincholi, Solapur, Maharashtra has been commissioned in the month of February, 2013 and declared commencement of commercial production.
- Dimethyl Formamide (DMF) plant with an installed capacity of 30000 MT / P.A at MIDC Chincholi, Solapur has been commissioned in the month of March, 2013 and declared commencement of commercial production..
- Finishing works are in full swing for 128 Room Hotel Property at Solapur to be operational by September, 2013. The operator SAROVAR GROUP has already recruited their team and they are working on final details for operations of the property.

FIXED DEPOSITS

The company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

DIRECTORS

In terms of Article 134 of the Articles of Association of the company Sri D. Ram Reddy and Sri. T. Naveena Chandra Directors retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Their profile and the experience in specific functional areas and other directorships held by them as stipulated in clause 49 of the listing agreement is provided in the Additional Information Section forming part of Notice and Corporate Governance Report forming part of the Annual Report.

During the year, Sri A. Srinivas Reddy and Sri Kashinath R Dhole were appointed as additional directors w. e. f. 11.05.2013 As per the provisions of Section 260 of the Companies Act, 1956. Their term of office is due to expire at the conclusion of the Annual General Meeting. The company has received notice in writing proposing their appointment as Directors of the Company. The relevant resolution proposing their appointments as Directors is included in the notice of the Annual General Meeting for your approval.

The Board of Directors at its Meeting held on 15th February 2013 has re-appointed Mr. A. Prathap Reddy as Managing Director, Mr. N. Rajeshwar Reddy as Executive Director, Mr. D. Ram Reddy as Director-Commercial & Mr. G. Hemanth Reddy as Whole time director for a period of three years w.e.f from 1st April, 2013, subject to the approval of the Members.

Further Mr. N. Rajeshwar Reddy and Mr. D. Ram Reddy were re designated as Joint Managing Director by the Board of Directors in the meeting held on 11.05.2013.

The said resolution forms part of the notice of the Annual General Meeting

Their profile describing the expertise in specific functional area and other directorships held by them as stipulated in clause 49 of the listing agreement is provided in the notice of AGM.

CONSOLIDATED FINANCIAL STATEMENTS

As per Section 212 of the Companies Act, 1956, we are required to attach the, Balance Sheet, Statement of Profit and Loss and other documents of our subsidiary. The Ministry of Corporate Affairs, Government of India vide its Circular No. 2/2011 dated February 8, 2011, has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2012-13 does not contain the financial statements of our subsidiary. The Consolidated Financial Statement of your company with that of its wholly owned subsidiary Bhagyanagar Chemicals limited is provided in the Annual Report. The annual accounts of the Subsidiary and the related detailed information shall be made available to members seeking such information at any point of time. The annual accounts of the Bhagyanagar Chemicals Limited shall also be kept for inspection by any of the members at the registered office of the company.

Statement pursuant to exemption under Section 212 of the Companies Act, 1956 relating to Subsidiary Company is enclosed as Annexure - I

AUDITORS

M/s V. Sridhar & Co, Chartered Accountants, Hyderabad, Statutory Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received letter from the Auditors to the effect that, their appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that, they are not disqualified for such re appointment within the meaning of section 226 of the said Act.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 (the Act), read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the Act, the Annual Report is being sent to all Members of the Company excluding the aforesaid information. Any Member interested in obtaining such particulars may write to the Company Secretary at the registered Office of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report and is annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of Annual Accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and statement of profit and loss of the company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (iv) the directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are given as **Annexure 2** and forms part of this report.

CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report. Certificate from the Auditors of the Company, confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is annexed to this Report.

INDUSTRIAL RELATIONS

The relationships with employees, suppliers and customers across the Company are cordial.

CORPORATE SOCIAL RESPONSIBILITY

The Company has undertaken various community projects through its social arm Balaji Foundation and Research Centre in and around Solapur/ Osmanabad district areas, some of them are listed below:

- 1. Conducting regular Health camps in villages where there are no doctors.
- 2. Employing rural youth by providing appropriate vocational training.
- 3. Mentoring rural youth for pursuing their dreams in education, sports and other activities.

4. Arranging Doctor Visits for villages where there is no doctor.
5. Providing feasible infrastructure for the needy schools in rural villages.
6. Helping the libraries in rural areas in procuring latest books.
7. Donated Solar Street lights for various Villages.
8. Undertook plantation of trees /plants in the nearby villages for increasing the Green coverage to mitigate the drought conditions.

During the severe drought conditions in the region, the company with the association of its Social Organisation “Balaji Foundation and Research Centre” has distributed water tanks of permanent nature (i.e. RCC tanks) of 3000 Litres Capacity and provided water troughs for the livestock in some of the villages.

ACKNOWLEDGMENTS

Your Directors acknowledge with appreciation for the services rendered by the employees of the company at all the levels towards its overall success. Your Directors also express their grateful appreciation for the support and co-operation received from the stake holders.

Your Directors sincerely thank all the Customers, Vendors, investors, Bankers, Insurance Companies, Consultants, Advisors, Stock Exchanges and Government authorities for their continuous support through out the year.

For and on Behalf of the Board of Directors

Place : Secunderabad
Date : 25.07.2013

A. PRATHAP REDDY
Chairman & Managing Director

Statement pursuant to exemption under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Company

Name of the Subsidiary Company : Bhagyanagar Chemicals Limited

S.No	Particulars	2012-13
1	Shareholding	100%
2	Share Capital	13,000,000
3	Reserves	(16964174)
4	Total Assets	3588184
5	Total Liabilities	3588184
6	Investments	100000
7	Turnover	120000
8	Profit Before Taxation	(147422)
9	Provision for Taxation	Nil
10	Profit After Taxation	(147422)
11	Proposed Dividend	Nil

Statement under Section 212(1)(e) of the Companies Act, 1956

1	Name of the Subsidiary :	Bhagyanagar Chemicals Limited
2	The Financial Year of the subsidiary company ended on :	31.03.2013
3	Number of shares in the subsidiary company held by Holding Company at the above date :	
	- Equity shares	13,00,000
	- Equity holding (%)	100.00%
4	The net aggregate of profits(losses) of the subsidiary company for its financial year so far as they concern the members of Holding company	
	- Dealt with the accounts of Holding Company	-
	- Not dealt with the accounts of Holding Company	Rs. (1,47,422)
5	The net aggregate of profits(losses) of the subsidiary company for its previous financial years so far as they concern the members of Holding company	
	- Dealt with the accounts of Holding Company	-
	- Not dealt with the accounts of Holding Company	Rs. (2,09,814)
6	Changes in the interest of Holding Company between the end of the last financial year and 31.03.2013	Nil
7	Material Changes between the end of the last financial year and 31.03.2013	Nil

For and on behalf of the Board of Directors

A. Prathap Reddy
Chairman and Managing Director

G. Hemanth Reddy
Wholetime Director

Arati S. Dudhawale
Company Secretary

ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

(a) Energy Conservation Measures Taken

The Company has an excellent team of professionals who are responsible for energy conservation on continuous basis by following the latest trends, developments & technologies available in conserving the energy across all the units

The areas of conservation of energy are:

- Steam generation & Optimum recovery by synchronization
- Water conservation and waste water utilization
- Recovery of energy from the process

Energy audits are done periodically and any further scope for improvement are being addressed for each plant at all the units duly implementing the latest techniques, processes and methodologies.

The company has implemented various energy conservative measures which has resulted in reducing the energy costs and improving the efficiency of various plants.

(b) Additional Investments and Proposals for Reduction of Consumption of Energy

- Optimizing the usage of pumping systems.
- Waste water recovery system and reuse.

(c) Impact of the above measures

Enhanced usages of resources through reduce, recycle and re-use.

The overall reduction of energy costs and also efficiency of various plants have been improved.

B. Technology Absorption (Enclosed in Form B)

Efforts made in technology absorption – Form B attached hereto

C. Foreign Exchange Earnings and Outgo

Your company has been making continuous efforts for marketing its products globally and has resulted in growing export markets. The particulars are as under:

Sl. No.	Nature of Income/ Expenses	Amount In Foreign Currency	Amount In INR	Amount In Foreign Currency	Amount In INR
1.	Export Earnings	a. US Dollars 9057489.77	487854248.00	US Dollars 724621.80	568764290.00
		b. Euro – 9332691.60	649352909.00	Euro – 12257586.60	575461856.00
		c. GBP – 398167.79	34230904.00	GBP – 684235.26	42859010.00
		d. JVP – 49244430.00	36648175.00	JVP – 45688472	27185828.00
2.	Sales Commission	USD 47583.26	2618752.00	USD 91538.91	4411974.00
3.	Registration & Renewals	EURO – 3400	240380.00	USD – 239	11811.00
4.	Travelling Expenses	a. US Dollars – 14000	760500.00	a. US Dollars – 23363	1151334.00
		b. EURO – 7327	501104.00	b. EURO – 662	44125.00
5.	Exhibition Charges	a. GBP – 125	11425.00	a. GBP – 144	10532.00
		b. EURO – 60204.43	4268054.00	b. EURO – 37813.99	2568599.00
6.	Consultancy Charges	a. US Dollars – 84000	4582420.00	a. US Dollars – 92974	4395523.00
		b. EURO – 7327			
7.	Capital Goods	a. US Dollars – 1130522.50	62047750.00	a. US Dollars – 322600	16661492.00
8.	Raw Material	a. US Dollars – 19639359.94	1073392856.00	a. US Dollars – 32189384.53	1582098811.00
				b. EURO – 358602.33	24254965.00

FORM A

Form of Disclosure of Particulars with Respect to Consumption of Energy

A. Power and Fuel			
Sl.No.	Particulars	Current Year 31.03.2013	Previous Year 31.03.2012
I.	Electricity		
	a) Purchased Units	14183765	4017905
	Total Amount Rupees	99495934	2,46,62,532
	Average rate per unit Rupees	7.01	6.14
	b) Own Generation		
	I. Through Diesel Generator		
	Units	605664	744539
	Total amount Rupees	14489317	1,27,40,919
	Average cost per unit Rupees	23.92	17.11
	II. Through Steam turbine		
	Units	5477300	13912100
	Total amount Rupees	17822010	3,20,80,331
	Average rate per unit	3.25	2.31
2.	Coal		
	I. Coking Coal for Boiler (MT)	89078.440	93887.535
	Total Cost Rupees	413823898	43,88,92,414
	Average rate per MT	4645.61	4674.66
3.	Furnace Oil	0	0
4.	Other (Agricultural waste)		
	I. Baggasse		
	Quantity (MT)	0	1000.64
	Total Cost Rupees	0	15,85,398
	Average rate per MT		1584.38
	II. Firewood		
	Quantity (MT)	24.340	77.200
	Total Cost Rupees	85190	2,28,775
	Average rate per MT	3500.00	2963.41
B. Consumption Per unit of Production			
	I. Total Production (MT)		
	a) Aliphatic Amines and Derivatives	65807.002	60294.661
	II Electricity (KWH)	307.97	309.72
	III. Furnace Oil (Liters)		

Form B

Form of Disclosure of Particulars with Respect to Technology Absorption

A. Research and Development

1. Specific Areas in which the Company Carries out R&D

- a) Identification of New products and development of latest process technologies.
- b) Backward and forward integration of products to improve value chain.
- c) New Stream is installed for CC 98% Production in R&D Plant

2. Benefits Derived:

- a) Lowered the production cost by increasing the productivity with improved consumption co-efficient, development of new products and helped in import substitution.
- b) Impact on Environment is minimized
- c) Process Time and cost reduced substantially.
- d) Addition of new stream has resulted in additional capacity of CC98%.

3. Future Course of Action

- 1) Continuous improvement of processes and fine tuning process parameters to optimize utilization of energy, utilities and consumption of raw materials.
- 2) Greater importance for both Backward & Forward integration of product lines for better realization and value addition.
- 3) Continued emphasis on identifying new products / processes through in house R & D centre.

4. Expenditure on R & D

- a. Capital in nature Nil

B. Technology Absorption, Adoption and Innovation

Efforts Made

Through the R & D initiatives new products / processes developed, involves usage of latest technology, process and methods.

Benefits

Overall performance of the company has been satisfactory and operating at a high scale of operations and optimum utilization of resources.

MANAGEMENT DISCUSSION & ANALYSIS

An Overview Of Indian Chemical Industry

Indian Chemical Industry is the fastest growing Industry. The majority of the chemicals manufactured by the company are fine chemicals, Amines and derivatives catering to Indian Pharma, Agro Chemicals, Textiles, Refineries, Paints & Dyes, Water treatment chemicals etc.

BUSINESS REVIEW AND FUTURE OUT LOOK

The company is a leading manufacturer of specialty chemicals and amines and its derivatives in India in terms of volume and value in its class.

Majority of customers are from

1. API'S
2. AGRO CHEMICALS
3. REFINERIES
4. WATER TREATMENT CHEMICALS & RUBBER CHEMICALS
5. LEATHER PROCESSING CHEMICALS
6. DYE STUFFS & PAINT INDUSTRY

The Global slowdown has caused Indian Chemical Industry to re look at the competencies for sustainability and in this direction the company has emerged as a leader by evolving from being a local player to a global player by adopting new technologies in processes and selection of product mix, such that the company performs sustainably. With the REACH CERTIFICATION for some of the products, the company is able to achieve growth in exports and maintain the performance.

The company takes pride in setting up world class facilities for some of the basic chemicals so that the scale of operations will improve the margins over a period of time. The future is for those who are prepared for any challenge and the company has consolidated all its strength by expanding existing capacities by adopting new process and diversification to enhance value chains of some of the products.

FINANCIAL PERFORMANCE:

The financial statements are prepared in compliance with the companies Act 1956, and as per the generally accepted accounting practices prevalent in India. The performance of the company is discussed in detail in the financial high lights in Directors' Report to the members of this report.

STRENGTH, OPPORTUNITIES AND THREATS

Your company's competitive strengths are as follows:

- Selection of new processes for the existing products and optimizing the process parameters.
- Work on continuous process improvements by adopting new technics.
- Efficient servicing and long-standing client relationships.
- India's first and only manufacturer of Specialty Chemicals such as (Morpholine, PVPK-30, NMP, GBL, 2P, NEP)
- Forward and Backward integration, increase in value chain for about 70% of the products.

INTERNAL CONTROL SYSTEM

The Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedure to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

Internal controls are supplemented by an extensive programme of internal audits, reviewed by management according to the documented policies, guidelines and procedures. These controls are designed to ensure that financial and other records are reliable for preparing financial information and other reports, and for maintaining regular accountability of the company's assets.

INDUSTRIAL RELATIONS

The company had introduced various platforms such as House committees, safety committees etc., whereby the employees exchange their views and suggestions with the various levels of management. The management has experienced that this system resulted in increased and mutually beneficial relationships and employee participation in the day-to-day operations of the company. The company always, maintained harmonious and happy relations with all its' employees.

HUMAN RESOURCES

The Company recognizes that, nurturing and developing best human resources by recruiting available talent is vital to the long term success of the enterprise. Employees are provided with continuous opportunities for active learning and develop their skills, which are viewed as key drivers of their personal growth and career growth, thereby contributing to the success of the organization. The remuneration structure is linked directly with the performance. This performance management system reinforces Organization's work culture with proper key performance indicators (KPI'S).

The company acknowledges that human resources are its biggest assets who have been nurtured with in our organization culture and strengthened over the years.

SAFETY HEALTH AND ENVIRONMENT

Safety is considered as highest priority and all the efforts are being made to ensure safe working Environment for employees. All probable incidents are analyzed in safety committee meetings and preventive and corrective actions are taken accordingly. All Employees are regularly trained in safe practices to be followed at work place at all the times and keep the environment as serene as possible by adopting 3 R'S (Reduce, Recycle & Reuse).

RISKS & CONCERNS AND RISK MITIGATIONS

The Company has a robust and well-structured risk management system in place. The company is responsible for and ensures Effective Risk Management including risk identification and mitigation. A team of professionals are given responsibility of each location to analyze risk and assess the potential concerns and address the same to mitigate the risks.

The Company has a systematic risk identification and mitigation framework in place, there are certain business risks, which are external and intrinsic to the company. Over these risks the company has very little control. Some of these include a general downturn in market demand conditions, escalation in raw material prices/ Risk of Forex fluctuations and changes in regulatory frameworks in India and elsewhere.

CAUTIONARY STATEMENT

Statements in this management discussion and analysis report describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report, by using words 'anticipates', 'believes', 'Expects', 'intends' prospects and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied.

CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

The Company believes that the Corporate Governance is integral to all the functions and divisions of the organization for creating value for all the stakeholders. In this competitive business environment, both the management and employees vigorously uphold the values of integrity, transparency, responsibility and accountability.

The Company believes that Corporate Governance is about best practices of business to be imbibed in to the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

At Balaji Amines Limited, the focus is on its core strengths, value systems, hard working and strategic moves to be in the leading edge of new technology. It also strives to be ahead of competition by taking all the risk assessments well in advance to mitigate the same.

The Company has strengthened its Corporate Governance practices and has set highest standard of Corporate Governance by implementing the code of Corporate Governance in accordance with clause 49 of the listing agreement with the stock exchanges.

B. Board of Directors

- i. The Board of Directors of the Company consists of Ten (10) Directors. To ensure, transparent and professional conduct of board meeting procedures in all aspects related thereto, fifty percent (50%) i.e. 5 out of 10 directors are Independent directors. The composition of the directors is in accordance with the Clause 49 of the Listing Agreements entered with the Stock Exchanges.
- ii. There are no pecuniary relationships or transactions with Independent Non Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.
- iii. Five(5) Board meetings were held during the Financial Year 2012-13 and the gap between two meetings did not exceed four months. The said board meetings were held on the following dates:

Board Meeting Number	Date of Board Meeting
141	03.05.2012
142	30.07.2012
143	29.10.2012
144	30.01.2013
145	15.02.2013

- iv. None of the Directors on the board is a member in more than 10 committees or Chairman in more than 5 committees, across all the companies in which he is a director.
- v. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting, and also the number of Directorship and Committee Membership held by them in other companies are given below:

Name of the Director	Category	No. of Board Meeting attended	Attended AGM held on 28.7.2012	No. of Other Director ships Held	Memberships/ chairmanships held in Committees of other Companies
Sri A. Prathap Reddy (Chairman & Managing Director) DIN 00003967	Executive Director	5	Yes	3	-
Sri N. Rajeshwar Reddy Joint Managing Director) DIN 00003854	Executive Director	2	Yes	2	-
Sri D Ram Reddy Joint Managing Director DIN 00003854	Executive Director	2	Yes	9	-
Sri G. Hemanth Reddy (Whole Time Director) DIN 00003868	Executive Director	5	Yes	2	-
Sri T. Naveena Chandra (Director) DIN 00231636	Independent Non-Executive Director	5	No	4	-
Sri S.V. Pattabhiraman (Director) DIN 00195247	Independent Non-Executive Director	3	No	1	-
Sri. M. Amarender Reddy (Director) DIN 05182741	Independent Non-Executive Director	5	-	-	-
Sri. C. S. N. Murthy (Director) DIN 00142138	Independent Non-Executive Director	3	-	-	-
Sri A. Srinivas Reddy (Whole Time Director)* DIN 03169721	Executive Director	Nil	NA	2	-
Sri Kashinath R. Dhole (Director) * DIN 02361937	Independent Non-Executive Director	Nil	NA	3	-

* Appointed w.e.f – 11.05.2013

C. Board Committees

I. Audit Committee

The Audit Committee functions according to the powers, scope and role as defined in the Companies Act, 1956 and the Listing Agreement. The Audit Committee consist of Independent Directors, who provides assistance to the Board of Directors in fulfilling its responsibilities.

During the year under review, four meetings of the committee were held on 03.05.2012, 30.07.2012, 29.10.2012 and 30.01.2013.

The composition of the committee during the year as well as the particulars of the attendance at the committee meeting during the year is given below:

Name	Designation in Committee	Category of Directorship	Qualification	No. of Meetings Attended
T. Naveena Chandra	Chairman	Independent, Non-Executive	Chartered Accountant	4
M. Amarendra Reddy	Member	Independent, Non-Executive	Ex-Banker	4
S.V. Pattabhiraman	Member	Independent, Non-Executive	Ex Banker	3
C. S. N. Murthy	Member	Independent, Non-Executive	Management Consultant	3

The composition of the committee is in accordance with the requirements of the Clause 49 of the Listing Agreement and also Section 292A of the Companies Act, 1956.

In addition to the above, the committee meetings were also attended and supported by Mr.A. Prathap Reddy (Chairman & Managing Director) and Mr. G. Hemanth Reddy (Whole Time Director). The Company Secretary of the Company acts as the Secretary to the Committee.

The primary objective of the audit committee is to monitor and effectively supervise the Company's financial reporting in compliance with various policies, procedures and standard practices as in vogue in India.

Terms of Reference

- To provide direction and to oversee the operations of the audit functions of the Company.
- To review the internal control and audit systems with special emphasis on their quality and effectiveness.
- To review Quarterly, Half yearly and annual financial results before submission to the Board.
- To investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred by the Board.
- To have full access to information contained in the records of the Company and external advice, if necessary.
- To review matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.

In addition to the above, the committee shall have such functions/ powers/ role as may be specified in the Companies Act, 1956, Listing Agreement or any other applicable law.

2. Remuneration Committee

Terms of Reference

The terms of reference as per of the Listing Agreement is to determine and review the remuneration, performance, and related bonuses of Executive Directors.

Composition

Name	Category	Designation
Sri S.V. Pattabhiraman	Independent, Non-Executive	Chairman
Sri T. Naveena Chandra	Independent, Non Executive	Member
Sri M Amarendra Reddy	Independent, Non Executive	Member

Details of remunerations paid/payable to directors for the year ended 31st March, 2013 is as under:

a) Independent, Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)	Total
Sri. S.V. Pattabhiraman	15000	15000
Sri.T. Naveena Chandra	23000	23000
Sri M Amarendra Reddy	23000	23000
Sri CSN Murthy	13000	13000

Apart from the sitting fees, there were no other pecuniary relationships or transactions of the Non-Executive Independent Directors vis-a-vis the Company.

b) Managing Director and Executive Directors

Name of the Director	Salary, allowances & Perquisites (Rs)	Commission (Rs)	Sitting Fees (Rs.)	Loans from the Company (Rs)	Total (Rs)
Sri A. Prathap Reddy	3616800	21914312	Nil	Nil	25531112
Sri. N. Rajeshwar Reddy	2794800	7417645	Nil	Nil	10212445
Sri. D. Ram Reddy	2794800	7417645	Nil	Nil	10212445
Sri. G. Hemanth Reddy	2794800	2311422	Nil	Nil	5106222

The Chairman & Managing Director and Whole time Directors are also entitled to Company's Contribution to Provident Fund, Superannuation fund, to the extent not taxable and gratuity and encashment of leave at the end of tenure as per the rules of the Company and to the extent not taxable.

Shareholding of Directors of the Company as on 31st March, 2013

Name of the Director	Designation	Number of Shares held
Sri.A. Prathap Reddy	Chairman & Managing Director	48,88,050
Sri. N. Rajeshwar Reddy	Joint Managing Director	5,94,895
Sri. D. Ram Reddy	Joint Managing Director	4,66,905
Sri. G. Hemanth Reddy	Whole Time Director	7,05,020
Sri A. Srinivas Reddy	Whole Time Director	15,82,000
Sri. M. Amarender Reddy	Independent Director	-
Sri. S.V. Pattabhiraman	Independent Director	50
Sri T. Naveena Chandra	Independent Director	50
Sri. C.S.N. Murthy	Independent Director	1000
Sri Kashinath R Dhole	Independent Director	-

3. Shareholders/ Investors Grievance Redressal Committee

Terms of reference

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors.

The Committee specifically looks into investor complaints like Transfer/ transmission/ transposition of shares, non receipt of Annual Report, non – receipt of dividend, and other related issues.

Composition

Name	Designation	Status
Sri M. Amarender Reddy	Chairman	Non- Executive Independent Director
Sri. A. Prathap Reddy	Member	Chairman & Managing Director
Sri G. Hemanth Reddy	Member	Whole Time Director

Details of status of the references / complaints received and replied / resolved during the year are given in the following statements

Sl. No	Description	No. of request received	No. of request resolved	Pending cases
1	Change of Address	-	-	0
2	Duplicate Share Certificate	-	-	0
3	Loss of Share certificate	-	-	0
4	Bank Mandate	-	-	0
5	Non Receipt of Dividend Warrant	2	2	0
6	Revalidation of Dividend	1	1	0
8	Miscellaneous	-	-	0
9	Non receipt of Bonus	-	-	0
	Total	3	3	0

4. Research and Development Committee

Terms of reference

The Board has constituted Research and Development Committee, to carry out the Research and Development initiations.

To monitor the implementation of new plans for identifying the new products, improving the processes etc. to optimize the utilization of all the resources.

Composition

Name	Designation	Status
Sri A. Prathap Reddy	Chairman	Chairman & Managing Director
Sri N. Rajeshwar Reddy	Member	Joint Managing Director
Sri A. Srinivas Reddy	Member	Whole Time Director

The Company has three units in operation to develop products in these units and to monitor the Research and Development initiatives in an effective manner. The Committee has formed two sub- committees at the unit level which comprise of the following members.

Unit I	Unit III
Sri A. Prathap Reddy	Sri A. Prathap Reddy
Sri N. Rajeshwar Reddy	Sri N. Rajeshwar Reddy
A. Srinivas Reddy	Sri A. Srinivas Reddy
Sri P.B. Choudhury	Dr. Shyam Rao

D. GENERAL BODY MEETING

Venue and time of the preceding three Annual General Meetings (AGM)

Year	AGM	Venue	Day & Date	Time
2009-2010	22 nd AGM	Registered Office: 165-A, Balaji Bhavan, Railway Lines, Solapur-413001	Wednesday, 8 th September, 2010	11:30 A.M.
2010-2011	23 rd AGM	Registered Office: 165-A, Balaji Bhavan, Railway Lines, Solapur-413001	Thursday, 28 th July, 2011	11:30 A.M.
2011-2012	24 th AGM	Registered Office: 165-A, Balaji Bhavan, Railway Lines, Solapur-413001	Saturday 28 th July 2012	11.30 A.M

Special Resolutions passed in the previous 3 AGMS

AGM	SPECIAL RESOLUTION (S) PASSED
22 nd AGM held on 08.09.2010	1. Special Resolution for Sub-division of Equity Shares of the Company having face of Rs. 10/- each into five equity of Rs. 2/- each. 2. To reappoint Sri.A. Prathap Reddy as Managing Director and fix his remuneration. 3. To reappoint Sri. N. Rajeshwar Reddy as Executive Director and fix his remuneration. 4. To reappoint Sri.D.Ram Reddy as Director - Commercial and fix his remuneration. 5. To reappoint Sri. G. Hemanth Reddy as Whole Time Director and fix his remuneration.
23 rd AGM Held on 28.7.2011	NIL
24 th AGM Held on 28.07.2012	NIL

No Special Resolution was passed during the last financial year through Postal ballot. There is no proposal to pass a special resolution through postal ballot in this AGM.

E. DISCLOSURES

a) Related Party Transaction (Shown in Notes to Accounts)

There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential Conflict with the interests of Company at large.

b) Details on non-compliance by the Company, penalties and strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **None**

- c) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the clause

Pursuant to sub-clause VII of clause 49 of the listing agreement, the Company confirms that it has complied with all mandatory requirements prescribed.

As regards non-mandatory requirements, a Remuneration Committee has been formed to evaluate remuneration packages for directors and senior staff members.

- d) **C.E.O. / CFO Certification**

A. Prathap Reddy, Chairman & Managing Director and Mr. G. Hemanth Reddy, Whole Time Director certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 11th May 2013

F. MEANS OF COMMUNICATIONS

- The Quarterly results are published in Business Standard (in English) and Lokmat Times and Dainik Pudhari, Sakal, Tarun Bharat, Punya Nagari, Sanchar (in regional language) dailies.
- Quarterly Financial Results are furnished within the time frame to all the concerned Stock Exchanges as per clause 41 of the Listing Agreement and the same are displayed on the Company's website.
- No presentations were made to the analysts or institutional investors during the year under review except the results being forwarded electronically to those who have requested for regular information.
- All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed and the same are displayed on the Company's website.
- The Company's website www.balajiamines.com contains separate dedicated section 'Investor information' where in full Annual Report is also available in a user- friendly and downloadable format.

G. GENERAL SHAREHOLDER INFORMATION

- a) **25th Annual General Meeting**

Date and Time	30th September, 2013 at 11:30 a.m.
Venue	Balaji Towers, No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur 413224

- b) **Tentative Financial Calendar for the year 2013-2014**

Financial Year	1 st April to 31 st March
First Quarter Results	Fourth week of July, 2013
Half Yearly Results	Fourth week of October, 2013
Third Quarter Results	Fourth week of January, 2014
Results for year end	Fourth week of April, 2014

- c) **Date of Book Closure**

25.9.2013 to 30.9.2013 (both days inclusive)

- d) **Dividend Payment Date**

The proposed dividend, if approved at the ensuing Annual General Meeting on 30.09.2013 will be distributed within 30 days of Annual General Meeting.

e) Listing on Stock Exchange

Name of the Stock Exchange	Security Code
The National Stock Exchange of India, Mumbai	BALAMINES
The Bombay Stock Exchange Limited, Mumbai	530999

The Company has paid the annual listing fees for the year 2013-2014 to both the above stock exchanges.

f) Market Price Data

The closing market price of the equity shares as on 30th March, 2013, being the last trading day for the year 2012-13, was Rs. 35.00/- on NSE and Rs. 35.20/- on BSE.

The monthly movement of the equity share price during the year on BSE and NSE are summarized herein below.

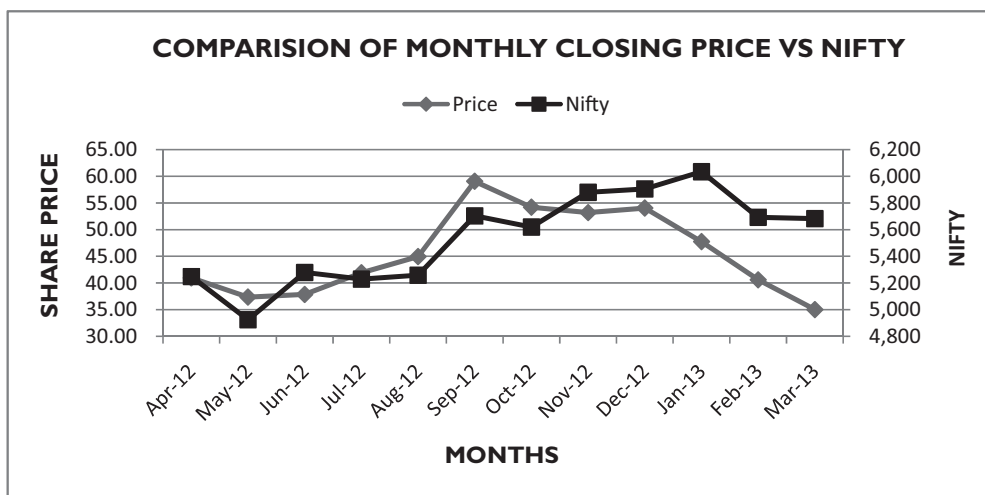
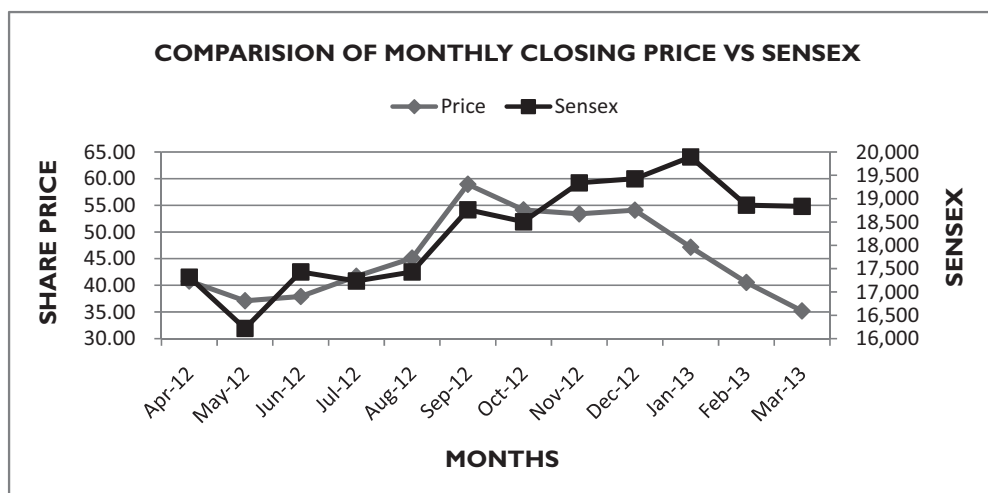
National Stock Exchange data.

Month	Open	High	Low	Close
Mar-13	40.80	42.00	34.10	35.00
Feb-13	47.40	48.40	39.10	40.60
Jan-13	55.20	56.75	45.70	47.75
Dec-12	54.80	59.70	52.00	54.05
Nov-12	54.00	59.10	49.25	53.20
Oct-12	60.00	66.85	48.65	54.20
Sep-12	44.50	60.00	43.90	59.05
Aug-12	42.35	48.90	38.00	44.95
Jul-12	38.95	44.00	38.50	41.90
Jun-12	36.50	38.30	35.00	37.85
May-12	41.00	42.70	35.25	37.35
Apr-12	38.90	41.00	36.10	40.95

Bombay Stock Exchange date

Date	Open	High	Low	Close
Mar-13	41.90	41.90	34.85	35.20
Feb-13	47.00	48.85	39.25	40.55
Jan-13	55.00	56.50	45.75	47.15
Dec-12	55.10	59.00	53.00	54.10
Nov-12	54.40	59.00	50.05	53.40
Oct-12	59.45	66.70	53.55	54.15
Sep-12	45.50	59.65	43.65	58.95
Aug-12	41.70	49.00	39.90	45.10
Jul-12	38.95	43.45	38.10	41.70
Jun-12	37.00	38.40	35.70	37.90
May-12	42.75	42.75	35.90	37.10
Apr-12	38.90	43.00	37.15	40.80

- g) The performance of the equity Share price of the Company vis-vis Sensex at BSE and NIFTY at NSE is as under



h) Registrar and Share Transfer Agents:

Venture Capital and Corporate Investments Pvt. Limited
(CATEGORY-I REGISTRARS)
12-10-167 Bharatnagar
Hyderabad-500018
Ph : 040-23818475/476; Fax: 040-23868024;
email: info@vccilindia.com

i) Share Transfer System

The R & T agents process the share transfers received in physical form and the share certificates are returned within 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee.

The Company obtains half yearly Certificate of Compliance with the Share Transfer formalities as required under clause 47 (C) of the Listing Agreement with Stock exchanges from a Company Secretary in practice and the same is submitted to the Stock Exchanges within the prescribed period

j) Distribution of Shareholding as on 31st March, 2013

Shares	Holders		Shares	
	Number	% To Total	No. of Shares	% To Total
Up to - 500	3507	65.76	688243	2.12
501 - 1000	786	14.74	704819	2.18
1001 - 2000	367	6.88	601984	1.86
2001 - 3000	179	3.36	462749	1.43
3001 - 4000	76	1.43	277488	0.86
4001 - 5000	145	2.72	709320	2.19
5001 - 10000	120	2.25	919852	2.84
10001 and above	153	2.87	28036545	86.53
Total	5333	100	32401000	100

k) Dematerialization

97.90 % of the Company's paid-up equity share capital has been dematerialised as on 31st March, 2013. The Equity shares of the Company are traded compulsory in dematerialized segment in all the stock exchanges and is under rolling settlement. The demat security code (ISIN) of the equity shares is INE050E01027.

l) Plant Location

Unit-I	Unit-II	Unit-III	Hotel Division
Tammalwadi, (V) Tuljapur (Tq) Osmanbad (Dist) Maharashtra-413623	Plot No 4&5, Besides APSEB Sub-Station-II, IDA, Bollaram-502325 Jinnaram Mandal, Medak Dist, Andhra Pradesh	Plot. No. E-7, E-8 MIDC, Chincholi Solapur-413255 Maharashtra	Survey No.9/1A/1, Aasara Chowk, Hotgi Road, Solapur-413224 Maharashtra

- i) Outstanding GDR's / ADR's / Warrant or any convertible instruments, conversion date and likely impact on Equity
The Company does not have any outstanding instruments of the captioned type.
Address for Correspondence

m) Compliance Officer

Arati Shankar Dudhawale
Company Secretary & Compliance Officer
Balaji Amines Limited
Balaji Towers, No. 9/1A/1, Aasara Chowk,
Hotgi Road, Solapur 413224
Email: cs@balajiamines.com

H. Compliance Certificate from Auditors

Certificate from Auditors of the Company M/s V. Sridhar & Co confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the listing Agreement is annexed herewith

I. Code of Conduct for the Board & Senior Management Personnel

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

CEO /CFO CERTIFICATION TO THE BOARD

(Under Clause 49 (V) of the Listing Agreement)

We, A. Prathap Reddy, Chairman and Managing Director and Mr G Hemanth Reddy, Whole Time Director, of the Company responsible for the finance function hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year 2012 -2013 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulation, including Adoption of accounts in the revised Schedule VI Format for the Current and Previous Year.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2012-2013, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
 - (i) Significant changes in internal control over financial reporting during the year 2012-13
 - (ii) Significant changes in accounting policies during the year 2012 - 2013 and that the same have been disclosed in the notes to the financial statements;
 - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Secunderabad
Date : 25/07/2013

A. Prathap Reddy
Chairman & Managing Director

G. Hemanth Reddy
Whole Time Director

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Shareholders
Balaji Amines Limited, Solapur.

We have examined the compliance of conditions of Corporate Governance by Balaji Amines Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, as required under sub-clause I(A) of Clause 49 of the Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2013, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investors Grievance Committee.

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

For V. SRIDHAR & CO.

Chartered Accountants
FRN. 006206 S

Vemulapati Sridhar

Proprietor
Membership No. 202337
Secunderabad
May 11, 2013.

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on 31st March, 2013 as envisaged in the clause 49 of the listing agreement with stock exchange

Place : Secunderabad
Date : 25/07/2013

A. Prathap Reddy
Chairman & Managing Director

AUDITOR'S REPORT

To the members of Balaji Amines Limited,
Solapur

Report on the Financial Statements

We have audited the accompanying financial statements of Balaji Amines Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act"). This responsibility includes the design, implementation and maintenance of internal control system relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For V. Sridhar & Co.

Chartered Accountants
FRN No: 006206 S

Vemulapati Sridhar

Proprietor
ICAI Memb.No:202337
Secunderabad,
May 11, 2013

Re: Balaji Amines Limited, Year ended March 31, 2013.

ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph I under the head 'Report on Other Legal and Regulatory Requirements', of our report of even date

- (i) a. The Company has maintained proper records showing full particulars including quantitative particulars and situation of fixed assets.
- b. The management of the company has carried out physical verification of the fixed assets at reasonable intervals during the year and according to information and explanations given to us no material discrepancies were noticed on such verification.
- c. The Company has not disposed off substantial part of fixed assets during the year
- (ii) a. The inventory has been physically verified at reasonable intervals during the year, by the management and internal auditors.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c. The Company is maintaining proper records of inventory and according to information and explanations given to us no material discrepancies have been noticed on such physical verification.
- (iii) The company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of the business with regard to the purchase of the inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) a. According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. We are of the opinion that each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from public.
- (vii) The internal audit function is carried out by a firm of independent Chartered Accountants appointed by the management and in our opinion the same is commensurate with the size of the company and nature of its business.
- (viii) We have broadly reviewed the records maintained by the company pursuant to the rules made by the Central Government for the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed audit of the same.
- (ix) a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. No undisputed amounts in respect of these statutory payments were in arrear as on March 31, 2012 for a period of more than six months from the date they became payable.
- b. The company has preferred an appeal to Commissioner of Income Tax (Appeals), Pune, in respect of Income Tax assessments for the Assessment Years 2007-08, 2008-09, 2009-10 and 2010-11. These issues are similar in all the years. Of these the appeals in respect of 2007-08, 2008-09 and 2009-10 have been partly allowed in Company's favour and

the Company has preferred a second appeal to Hon'ble Income Tax Appellate Tribunal, Pune. As regards Assessment Year 2010-11, the matter is pending before the Commissioner of Income Tax (Appeals), Pune. The amount of disputed tax involved in these years is Rs. 2.16 Crores as against which an amount of Rs. 1.11 Crore is paid and accounted under the head 'Short term loans and advances'. In addition to the above the company is in appeal against penalty amounting to Rs.1.47 crores pertaining to assessment years 2007-08 and 2008-09 before the Commissioner of Income Tax (Appeals), Pune. No amounts are deposited against the penalty demands.

- (x) The company does not have any accumulated losses.
- (xi) The company has not defaulted in repayment of dues to financial institution or banks. The Company has not issued debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other such securities.
- (xiii) The Company is not a chit fund or a nidhi /mutual fund / society.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to information and explanations given to us the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The term loans have been applied for the purpose for which they have been obtained.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment during the year.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any monies from public issues in the year under review.
- (xxi) According to information and explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

For V. Sridhar & Co.
Chartered Accountants
FRN No: 006206 S

Vemulapati Sridhar
Proprietor
ICAI Memb.No:202337
Secunderabad,
May 11, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Rupees

Sl. No.	Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I.	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	(a) Share Capital	2	6,48,02,000	6,48,02,000
	(b) Reserves and Surplus	3	166,00,33,375	139,71,53,422
	(c) Money received against share warrants		-	-
	(2) Share Application money pending allotment		-	-
	(3) Non-Current Liabilities			
	(a) Long-Term Borrowings	4	103,72,45,638	86,14,74,548
	(b) Deferred Tax Liabilities	5	39,82,12,143	36,60,87,570
	(c) Other Long Term Liabilities	6	5,85,45,820	3,68,80,997
	(d) Long Term Provisions		-	-
	(4) Current Liabilities			
	(a) Short-Term Borrowings	7	105,58,05,327	111,05,23,958
	(b) Trade Payables	8	35,50,67,597	34,71,10,839
	(c) Other Current Liabilities	9	36,33,78,233	25,78,21,044
	(d) Short-Term Provisions	10	21,14,24,424	22,55,70,492
	TOTAL		520,45,14,557	466,74,24,870
II.	ASSETS			
	(1) Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	234,05,11,175	195,63,48,814
	(ii) Intangible Assets		-	-
	(iii) Capital Work - in -Progress	12	62,92,27,290	24,66,57,791
	(iv) Intangible Assets under development		-	-
	(b) Non-current investments	13	71,28,200	4,71,28,200
	(c) Deferred tax assets		-	-
	(d) Long term loans and advances	14	75,35,813	76,25,768
	(e) Other non-current assets	15	2,05,22,504	1,04,59,681
	(2) Current Assets			
	(a) Current investments	16	19,94,00,000	3,84,00,000
	(b) Inventories	17	56,75,20,409	107,40,44,938
	(c) Trade receivables	18	102,28,28,159	82,13,70,561
	(d) Cash and cash equivalents	19	2,67,70,556	4,47,81,907
	(e) Short-term loans and advances	20	38,30,70,451	42,06,07,210
	(f) Other current assets		-	-
	TOTAL		520,45,14,557	466,74,24,870
	Accounting Policies and other Information	I		

As per our report of even date

For and on behalf of the Board of Directors

for **V. Sridhar & Co.**

Chartered Accountants,

Firm No. 006206S

Vemulapati Sridhar

Proprietor

M. No. 202337

A. Prathap Reddy

Chairman and Managing Director

G.Hemanth Reddy

Wholetime Director

Secunderabad

May 11, 2013

Arati S. Dudhawale

Company Secretary

Statement of Profit & Loss for The Period Ended March 31, 2013

Rupees

Sl. No	Particulars	Note No.	For the Year ended March 31, 2013	For the Year ended March 31, 2012
I	Revenue from operations (Gross)			
	Sale of Aliphatic Amines, Specialities Chemicals, Derivatives including Export Benefits		556,33,36,085	485,95,72,269
	Less : Excise Duty		44,53,76,306	36,43,36,623
	Revenue from operations (Net)		511,79,59,779	449,52,35,646
II	Other Income	21	3,71,03,738	2,84,51,463
III	Total Revenue (I +II)		515,50,63,517	452,36,87,109
IV	Expenses:			
	Cost of materials consumed	22	287,17,20,168	281,08,79,705
	Changes in inventories of finished goods & work-in-process.	23	25,03,05,861	-18,43,77,059
	Employee Benefit Expenses	24	12,90,06,216	11,89,63,266
	Financial Costs	25	25,40,12,193	21,20,57,218
	Depreciation	11	12,68,78,609	10,34,50,736
	Other Expenses	26	106,47,68,329	94,32,18,121
	Total Expenses		469,66,91,376	400,41,91,987
V	Profit before exceptional and extraordinary items and tax (III-IV)		45,83,72,141	51,94,95,122
VI	Exceptional Items (Excess provision of Income Tax written back)		11,87,866	79,11,682
VII	Profit before extraordinary items and tax (V + VI)		45,95,60,007	52,74,06,804
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		45,95,60,007	52,74,06,804
X	Tax expense:			
	(1) Current tax		11,56,00,000	14,13,00,000
	(2) Deferred tax		3,21,24,573	2,94,90,159
XI	Profit(Loss) from the period from continuing operations (IX-X)		31,18,35,434	35,66,16,645
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		31,18,35,434	35,66,16,645
XVI	Earning per equity share: (Profit for the period / No. of equity shares)			
	(1) Basic		9.62	11.01
	(2) Diluted		9.62	11.01
	Accounting Policies and other Information	I		

As per our report of even date

For and on behalf of the Board of Directors

for **V. Sridhar & Co.**

Chartered Accountants,

Firm No. 006206S

Vemulapati Sridhar

Proprietor

M. No. 202337

A. Prathap Reddy

Chairman and Managing Director

G.Hemanth Reddy

Wholetime Director

Secunderabad

May 11, 2013

Arati S. Dudhawale

Company Secretary

Note I. Accounting Policies and Other Information

A. Significant accounting policies

(a) System of Accounting:

- i. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- ii. The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.
- iii. Financial statements are prepared on historical cost basis and as a going concern.

(b) Revenue recognition:

- i. Sale of goods is recognized at the point of dispatch of goods to customers. Gross sales are inclusive of excise duty and net of value added tax / sales tax.
- ii. Dividends from investment are recognized as income of the year in which the same are declared by in the investee company.

(c) Tangible Fixed Assets and Depreciation:

Tangible Fixed Assets acquired by the company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use.

Where the construction or development of any such asset requiring time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the asset is ready for its intended use.

Depreciation is provided on a straight-line basis at rates and in the manner specified in schedule XIV to the Companies Act, 1956, unless the use of a higher rate or an accelerated charge is justified through technical estimates.

(d) Investments: Investments are stated at cost.

(e) Inventories:

- i. Finished goods are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on Absorption costing basis. Excise duty is included in valuation of finished goods.
- ii. Stock in process/plant is valued at cost.
- iii. Stock of raw materials, Stores and Spares and packing materials are valued at cost. Cost for this purpose, does not include duties/taxes that are recoverable in future.

(f) Staff Benefits:

- i. Provident Fund Contributions are accounted on accrual basis.
- ii. The company has taken a policy of Group Gratuity Scheme of Life Insurance Corporation of India. All contributions made are charged to revenue.

(g) Research and Development:

Revenue expenditure on research and development is charged to Statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is treated at par with fixed assets and depreciated as such.

(h) Deferred Taxation:

Accounting treatment in respect of deferred taxation is in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

(i) Sales Tax Benefits:

Shortfall / increase in sales tax benefits accruing to the company are accounted for in the year in which the final assessment by the concerned authorities is completed.

(j) Borrowing Costs:

Costs in respect of borrowings for the purpose of expansion / additional fixed investments including R & D projects are capitalized to such investments.

(k) Foreign Currency Transactions:

Foreign Exchange Transactions are recorded at pre-determined standard exchange rates which are reviewed periodically. Gains or losses arising out of such periodic revisions of such standard rates and also on realization are accounted for accordingly.

(l) Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital.

(m) Segment Reporting:

The company's Hotel Division at Solapur is under construction and is yet to start commercial operations. Segment reporting in respect of these streams of revenues and investments will be made from the year of commencement of operations of this division. The amount invested in construction so far is included in Capital Work in Progress.

B. Contingent Liabilities:

Disputed Liability on account of income tax, interest thereon and penalty, Rs. 3.63 Crores, for Assessment Year 2007-08 to 2010-11 (including penalty in dispute Rs. 1.47 crores for assessment year 2007-08 and 2008-09 only). The Company has preferred an appeal against the demand. The amounts paid against the disputed demand Rs. 1.11 Crore are included in Short term Loans & Advances.

C. Related Party transactions:

Name of the related party	Bhagyanagar Chemicals Limited	Balaji Greentech Products Limited
Relationship	A Subsidiary company	Company in which the Enterprise is substantially interested, by holding 66% of shares in the total paid up share capital.
Nature of Transaction	a. Lease rentals b. Loan given	a. Purchases b. Loans given
Transaction Value	a. Rs. 1,20,000.00 b. Rs. 75,35,813.00	a. Rs. 81,352.00 b. Rs. 1,00,00,000.00
Balance outstanding – Receivable / (-) Payable as on Balance Sheet date	a. Rs. 0.00 b. Rs. 75,35,813.00	a. Rs. 0.00 b. Rs. 1,00,00,000.00
Amount written off / back	Nil	Nil

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012			
2. Share Capital					
a. Authorised 4, 50, 00,000 Equity Shares of Rs. 2/- each.	9,00,00,000	9,00,00,000			
	9,00,00,000	9,00,00,000			
b. Issued, Subscribed & Paid up 3,24,01,000 Equity Shares of Rs. 2/- each fully paid up	6,48,02,000	6,48,02,000			
	6,48,02,000	6,48,02,000			
c. Par Value of Shares	Rs. 2/-	Rs. 2/-			
d. No. of Shares outstanding at beginning the year	3,24,01,000	3,24,01,000			
Changes during the year	-	-			
No. of Shares outstanding at end of the year	3,24,01,000	3,24,01,000			
e. Restriction on Disbursement of Dividend As part of the general terms & conditions in respect of borrowings from Banks, prior permission should be taken from the lending Banks before distribution of dividend. Similarly, the term lenders have imposed a condition that, no dividend shall be declared in the event of default in the scheduled repayment of installment. Shareholder Holding More Than 5% Shares					
f. Shareholder Holding More Than 5% Share					
	No. of Shares				
	Percentage				
S. No.	Name of the Share Holder	Current year	previous Year	Current year	previous Year
1.	Ande Prathap Reddy	4888050	5538050	15.09	17.09
2.	APR Holdings Investment Pvt. Ltd.	4712415	4712415	14.54	14.54
3.	A. Shakunthala Devi	1944450	2876450	6.00	8.88
g.	During the five years immediately preceding the financial year 2012-13, the company has not issued any shares without payment being received in cash, nor issued any bonus shares and the company did not buy back any shares. The Company has only one class of Shares i.e. Equity Shares.				

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

Particulars		As at March 31, 2013	As at March 31, 2012
3. Reserve & Surplus			
Capital Reserve (representing profit on re-issue of forfeited shares)		6,20,505	6,20,505
State Subsidy		30,00,000	30,00,000
Share Premium Account		5,69,61,000	5,69,61,000
Total A :		6,05,81,505	6,05,81,505
General Reserve			
Beginning of the year		14,79,76,000	11,23,14,000
Additions during the year		3,11,84,000	3,56,62,000
[Transferred from Current Year Profits]			
Total B :		17,91,60,000	14,79,76,000
Balance in Profit & Loss Statement brought forward from previous year		118,85,95,917	89,77,67,722
Profit for the year		31,18,35,434	35,66,16,645
Less : Provision for proposed Dividend on Equity Shares		-	-
a. Dividend for the year (40%)		2,59,20,800	2,59,20,800
b. Special Dividend (25%) on the occasion of the 25 th year of company incorporation		1,62,00,500	-
:Tax on Distributed Profits		68,34,181	42,05,650
:Transfer to General Reserve		3,11,84,000	3,56,62,000
Surplus in Profit and Loss Statement carried forward		142,02,91,870	118,85,95,917
Total C :			
Total (A + B + C)		166,00,33,375	139,71,53,422
4. Long Term Borrowings			
Term Loan			
State Bank of Hyderabad		67,57,16,806	68,33,89,288
State Bank of India		5,10,00,000	23,98,014
Term Loans - secured by first charge on all fixed assets of the company, both present & future and mortgage by deposit of the land title deeds (except otherwise specifically excluded)			
Bank of Baroda		2,95,11,103	3,85,52,936
[Secured specifically by first charge on Wind Electric Generator]			
Bank of Baroda		28,10,17,729	13,71,34,310
[Secured specifically by first charge on Land & Building of Hotel Project]			
		103,72,45,638	86,14,74,548
[The Directors of the company Viz., Sri A. Prathap Reddy, Sri N. Rajeshwar Reddy, Sri D. Ram Reddy and Sri G. Hemanth Reddy have provided personal guarantee in respect of the above loans to the extent mentioned here under].			
Sr. No.	Name of the Bank	Aggregate Amount of Guarantee as per Sanction letter	Repayment Terms
1	State Bank of Hyderabad	Rs. 136.00 Cr.	7 Year
2	State Bank of India	Rs. 30.00 Cr.	7 Year
3	Bank of Baroda	Rs. 5.95 Cr.	7 Year
4	Bank of Baroda	Rs. 33.00 Cr.	7 Year

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
5. Deferred Tax Liability		
Beginning of the year relating to the fixed assets	36,60,87,570	33,65,97,411
Add : Provided during the year arising on account of timing difference in depreciation	3,21,24,573	2,94,90,159
	39,82,12,143	36,60,87,570
6. Other Long Term Liabilities		
Others	5,85,45,820	3,68,80,997
	5,85,45,820	3,68,80,997
7. Short Term Borrowings		
Secured		
Working Capital		
State Bank of Hyderabad	51,61,27,392	49,95,95,512
State Bank of India	39,82,69,735	49,26,20,605
ING Vysya Bank Ltd.	9,14,08,200	11,83,07,841
[Towards working Capital limits, secured by way of hypothecation of stocks and book debts and second charge on all fixed assets of the company, (except Hotel Division) both present and future].		
[The above borrowing are also supported by personal guarantee of Directors of the company Viz., Sri A. Prathap Reddy, Sri N. Rajeshwar Reddy, Sri D. Ram Reddy and Sri G. Hemanth Reddy. The aggregate amount of guarantees provided by the directors towards fund based and non fund based working capital limits.]		
Unsecured		
HDFC Bank Ltd.	5,00,00,000	-
Short term corporate loan supported by two Post Dated Cheques and personal guarantee of the four whole time directors of the company.		
Total	105,58,05,327	111,05,23,958

Sl. No	Name of the Bank	Aggregate amount of guarantee as per sanction letter	Repayment Terms
1.	State Bank of Hyderabad	Rs.161.00 Cr.	On Demand
2.	State Bank of India	Rs.94.00 Cr.	On Demand
3.	ING Vysya Bank Ltd.	Rs.43.00 Cr.	On Demand

Notes Forming Part of Financial Statements as at 31.03.2013
Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
8. Trade Payable		
Trade Payables	35,23,55,385	34,20,47,937
Others	27,12,212	50,62,902
	35,50,67,597	34,71,10,839
9. Other Current Liabilities		
Instalment of Secured Term Loan from banks payable within one year.	30,76,52,010	18,61,18,000
Interest accrued & due on term loans	1,35,13,049	1,00,20,320
Others	1,81,30,498	98,42,599
Duties and Taxes	2,40,82,676	5,18,40,125
	36,33,78,233	25,78,21,044
10. Short Term Provisions		
Income Tax	11,56,00,000	14,13,00,000
Dividend on Equity Shares	4,21,21,300	2,59,20,800
Tax on Distributed Profits	68,34,181	42,05,650
Salaries & Wages	78,07,920	68,00,961
Commission to Directors	3,90,61,023	4,73,43,081
	21,14,24,424	22,55,70,492

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

II : Tangible Assets

Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2012	Additions	Deletion	As at 31.03.2013	As at 31.03.2012	For the Period	Deletion	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013
Land	65308316	10108868	0	75417184	0	0	0	0	65308316	75417184
Buildings	291663067	76000160	0	367663227	42295626	10081795	0	52377421	249367441	315285806
Wind Electric Generator	198347946	0	0	198347946	41802748	10472772	0	52275520	156545198	146072426
Plant & Machinery	1565178435	407076245	7317123	1964937557	390587151	83840395	2762815	471664731	1174591284	1493272826
Plant & Machinery R & D	303613723	0	0	303613723	59302639	16029378	0	75332017	244311084	228281706
Furniture & Fixtures	6384430	11796015	0	18180445	2609126	672424	0	3281550	3775304	14898895
Office Equipment	8381885	997019	0	9378904	3781680	514471	0	4296151	4600205	5082753
Vehicle	24631135	6204746	1108900	29726981	7147784	2617405	614518	9150671	17483351	20576310
Others	47823588	3906608	0	51730196	7456957	2649969	0	10106926	40366631	41623270
Total	2511332525	516089661	8426023	3018996163	554983711	126878609	3377333	678484987	1956348814	2340511176

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
12. Capital work in progress		
Amines Division	5,49,04,298	6,53,53,889
Hotel Division	57,43,22,992	18,13,03,902
	62,92,27,290	24,66,57,791
13. Non Current Investments (All unquoted unless otherwise specified)		
In Subsidiaries		
12,99,300 equity shares of Rs. 10/- each fully paid up in Bhagyanagar Chemicals Ltd. Amount to 99.95% of the total capital of the Company. The Investment is unquoted and the same is treated at cost of acquisition	70,78,200	70,78,200
Other Investment		
500 equity shares of Rs. 100/- each fully paid up in Solapur Janata Sahakari Bank	50,000	50,000
Balaji Greentech Products Ltd. [4000000 10% cumulative redeemable preference shares of Rs.10/- each	0	4,00,00,000
	71,28,200	4,71,28,200
14. Long Term Loans and Advances		
Loans to Subsidiary - Bhagyanagar Chemicals Ltd.	75,35,813	76,25,768
	75,35,813	76,25,768
15. Other Non Current Assets		
Deposit with Government Departments	1,79,64,478	81,93,080
Other Deposits	25,58,026	22,66,601
	2,05,22,504	1,04,59,681
16. Current Investments (All unquoted unless otherwise specified)		
Balaji Greentech Products Ltd. (14000000 10% cumulative redeemable preference Shares of 10/- each representing 100% of the preference share capital issued by the investee company)	14,00,00,000	0
Balaji Greentech Products Ltd. (5940000 Equity Shares of Rs. 10/- each amounting to 66% of the share capital of the investee company. Previous year 2,94,000/-equity shares of Rs.10/- each.	5,94,00,000	2,94,00,000
Balaji Sourcings Pvt.Ltd. (900000 Equity Shares of Rs. 10/- each)	-	90,00,000
	19,94,00,000	3,84,00,000

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
17 Inventories [As verified, valued and certified by the Management.]		
Raw Material	14,55,51,373	42,07,29,803
Work-in-Progress	9,08,43,791	10,64,73,037
Finished Goods	20,07,14,386	43,53,91,001
Goods-in-transit / At Bonded Warehouse	20,34,087	1,60,30,033
Stores ,Spares & Packing Materials	2,56,89,704	2,48,34,995
Fuel, Others etc.	10,26,87,068	7,05,86,069
	56,75,20,409	107,40,44,938
18. Trade Receivables (Unsecured and considered good)		
Over Six Months	31,41,767	52,45,828
Others Debts	101,96,86,392	81,61,24,733
	102,28,28,159	82,13,70,561
19. Cash & Cash Equivalent		
Cash in hand	21,252	63,567
Cash with Scheduled Banks		
In Current Accounts	10,87,544	15,30,150
In Margin money account	2,56,61,760	4,31,88,190
	26,770,556	4,47,81,907
20. Short Terms Loans and Advances		
Balance with Revenue Authorities	8,84,03,218	12,41,52,237
Advance Income Tax (Including TDS)	10,43,73,414	14,04,56,924
Advances to Suppliers	2,01,65,197	2,92,75,945
Others - Unsecured, considered good	5,38,37,224	3,13,56,141
Employees Advances	14,78,877	16,19,977
Capital Advances recoverable in within one year	11,48,12,521	9,37,45,986
	38,30,70,451	42,06,07,210
21. Other Income		
Income from Wind Electric Generator	1,95,65,921	2,14,77,460
Interest income from Bank	54,91,440	40,53,586
Misc. Income	30,46,377	29,20,417
Profit on Sale of Short Term Investments	90,00,000	0
	3,71,03,738	2,84,51,463

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
22. Raw Material Consumed		
Opening Stock	42,07,29,803	27,32,01,073
Add:		
Purchases of Raw Material – Domestic	138,25,86,908	105,71,28,251
Purchases of Raw Material - Imports CIF Value	121,39,54,830	190,12,80,184
Sub- Total	301,72,71,541	323,16,09,508
Less		
Closing Stock	14,55,51,373	42,07,29,803
Net Total	287,17,20,168	281,08,79,705
23. Changes in Inventories of Finished Goods & Work in Process		
Opening Stock		
Finished Goods	43,53,91,001	26,68,28,352
Work-in –process	10,64,73,037	9,06,58,627
Sub- Total	54,18,64,038	35,74,86,979
Less		
Closing Stock		
Finished Goods	20,07,14,386	43,53,91,001
Work-in –process	9,08,43,791	10,64,73,037
Sub- Total	29,15,58,177	54,18,64,038
Increase (-) / Decrease(+)	25,03,05,861	-18,43,77,059
24. Employee Benefit Expenses		
Salaries, Wages & other allowances	10,90,20,605	9,61,53,321
Bonus	53,32,331	51,94,837
Gratuity Premium & Provident Fund	77,65,220	63,21,755
Staff Welfare Expenses	22,06,677	23,25,246
Group Insurance	46,81,383	89,68,107
	12,90,06,216	11,89,63,266
25. Financial Cost		
Interest on Working Capital	13,71,85,229	11,60,22,800
Interest on Term loan	10,50,18,635	7,85,52,076
Processing Charges of Working Capital	30,18,669	30,50,450
Bank Charges	87,89,660	1,44,31,892
	25,40,12,193	21,20,57,218

Notes Forming Part of Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
26. Other Expenses		
a) Manufacturing Expenses		
i) Power and Fuel Consumed	54,34,37,892	49,98,93,982
ii) Store, Spares and Packing Material Consumed	21,52,03,047	18,27,59,919
iii) Repairs & Maintenance - Plant & Machinery	76,63,986	58,35,313
iv) Repairs & Maintenance - Building & Others	6,74,142	14,64,392
v) Insurance to Plant & Machinery	26,84,131	21,29,090
b) Selling & Distribution Expenses		
i) Advertisement, Publicity & Sales Promotion Expenses	1,33,53,292	1,49,08,294
ii) Discount on Sales	2,32,02,804	2,25,95,022
iii) Freight & Forwarding (Including Ocean Freight)	14,24,39,633	10,76,05,637
iv) Other Selling & Distribution Expenses	1,72,47,193	1,84,11,746
v) Insurance	27,18,432	14,72,611
c) Administrative & General Expenses		
i) Rent, Rates & Taxes	1,45,67,718	1,13,51,119
ii) Insurance	29,01,104	26,94,088
iii) Salaries & allowances to Directors	1,20,01,200	1,13,43,600
iv) Commission to Directors	3,90,61,023	4,73,43,081
v) Foreign Exchange Fluctuations Loss / (Gain)	-88,82,814	-1,37,02,030
vi) Auditors Remuneration		
a) Audit Fees	11,50,000	10,00,000
b) Tax Audit Fees	2,25,000	2,75,000
c) Tax and Other Matters	2,50,000	3,00,000
vii) Other Expenses	3,48,70,546	2,55,37,257
	106,47,68,329	94,32,18,121

As per our report of even date
for **V. Sridhar & Co.**
Chartered Accountants,
Firm No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
M. No. 202337

A. Prathap Reddy
Chairman and Managing Director

G.Hemanth Reddy
Wholetime Director

Secunderabad
May 11, 2013

Arati S. Dudhawale
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR 2012-2013

Rupees

Particulars	Current Year	Previous Year
A. Cash flows from operating activities		
Profit before interest and tax	7135.72	7394.64
Exceptional Items	-11.88	-79.12
Other income considered	-371.04	-284.51
Depreciation	1268.79	1034.51
Non Cash Charges (Loss on Sale of Asset)	13.62	7.73
Increase in Current Liabilities	732.78	3745.94
Increase (-)/ Decrease (+) in Inventories	5065.25	-3680.69
Increase in Debtors	-2014.57	-838.72
Increase in Other Current Assets, Loans & Advances	-935.35	-1094.71
Less : Income tax including dividend distribution tax	-1443.18	-908.57
Cash flow from Operating Activities	9440.14	5296.50
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-8986.59	-5952.48
Sale of Fixed Asset	36.92	31.24
Long term investments made	0.00	0.00
Other Income	371.04	284.51
Cash flow from Investing activities	-8578.63	-5636.73
C. Cash Flow from Financing Activities		
Secured loans	1757.71	2199.99
Interest paid	-2540.12	-2120.57
Dividend	-259.21	-194.41
Cash Flow from Financing Activities	-1041.62	-114.99
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-180.11	-455.22
Cash and cash equivalents (beginning of the year)	447.82	903.04
Cash and cash equivalents (end of the year)	267.71	447.82
Increase in cash and cash equivalents (closing minus opening balances)	-180.11	-455.22

As per our report of even date
for **V. Sridhar & Co.**
Chartered Accountants,
Firm No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
M. No. 202337

A. Prathap Reddy
Chairman and Managing Director

G.Hemanth Reddy
Wholetime Director

Secunderabad
May 11, 2013

Arati S. Dudhawale
Company Secretary

AUDITORS' REPORT

To
The Members of M/s. Balaji Amines Limited.
Solapur.

1. We have audited the attached Consolidated Balance Sheet of M/s. Balaji Amines Limited and its subsidiary Bhagyanagar Chemicals Limited as at March 31, 2013, the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the management of Balaji Amines Limited in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements". And other applicable standards issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us, the said Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of Balaji Amines Limited and its subsidiary Bhagyanagar Chemicals Limited as at March 31, 2013;
 - b) in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

For **V. Sridhar & Co.,**
Chartered Accountants
Firm No. 006206S

Vemulapati Sridhar
Proprietor
Membership No : 202337
Secunderabad
May 11, 2013.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Rupees

Sl. No.	Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I.	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	(a) Share Capital	2	6,48,02,000	6,48,02,000
	(b) Reserves and Surplus	3	164,89,91,002	138,62,58,471
	(c) Money received against share warrants		-	-
	(2) Share Application money pending allotment		-	-
	(3) Non-Current Liabilities			
	(a) Long-Term Borrowings	4	103,72,45,638	86,14,74,548
	(b) Deferred Tax Liabilities	5	39,82,12,143	36,60,87,570
	(c) Other Long Term Liabilities	6	5,85,45,820	3,68,80,997
	(d) Long Term Provisions		-	-
	(4) Current Liabilities			
	(a) Short-Term Borrowings	7	105,58,05,327	111,05,23,958
	(b) Trade Payables	8	35,50,67,597	34,71,10,839
	(c) Other Current Liabilities	9	36,33,94,778	25,78,70,679
	(d) Short-Term Provisions	10	21,14,24,424	22,55,70,492
	Total		519,34,88,729	465,65,79,554
II.	ASSETS			
	(1) Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	234,38,48,182	195,99,56,247
	(ii) Intangible Assets		-	-
	(iii) Capital Work - in -Progress	12	62,92,27,290	24,66,57,791
	(iv) Intangible Assets under development		-	-
	(b) Non-current investments	13	1,50,000	4,01,50,000
	(c) Deferred tax assets		-	-
	(d) Long term loans and advances		-	-
	(e) Other non-current assets	14	2,05,22,504	1,04,59,681
	(2) Current Assets			
	(a) Current investments	15	19,94,00,000	3,84,00,000
	(b) Inventories	16	56,75,20,409	107,40,44,938
	(c) Trade receivables	17	102,28,28,159	82,13,70,561
	(d) Cash and cash equivalents	18	2,67,75,596	4,47,86,988
	(e) Short-term loans and advances	19	38,32,16,589	42,07,53,348
	(f) Other current assets		-	-
	Total		519,34,88,729	465,65,79,554
	Accounting Policies and other Information	I		

As per our report of even date

For and on behalf of the Board of Directors

for **V. Sridhar & Co.**

Chartered Accountants,

Firm No. 006206S

Vemulapati Sridhar

Proprietor

M. No. 202337

A. Prathap Reddy

Chairman and Managing Director

G.Hemanth Reddy

Wholetime Director

Secunderabad

May 11, 2013

Arati S. Dudhawale

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2013

Rupees

Sl. No	Particulars	Note No.	For the Year ended March 31, 2013	For the Year ended March 31, 2012
I	Revenue from operations (Gross)			
	Sale of Aliphatic Amines, Specialties Chemicals,		556,33,36,085	485,95,72,269
	Derivatives including Export Benefits		44,53,76,306	36,43,36,623
	Less : Excise Duty			
	Revenue from operations (Net)		511,79,59,779	449,52,35,646
II	Other Income	21	3,71,03,738	2,84,51,463
III	Total Revenue (I +II)		515,50,63,517	452,36,87,109
IV	Expenses:			
	Cost of materials consumed	22	287,17,20,168	281,08,79,705
	Changes in inventories of finished goods & work-in-process.	23	25,03,05,861	-18,43,77,059
	Employee Benefit Expenses	24	12,90,06,216	11,89,63,266
	Financial Costs	25	25,40,12,193	21,20,57,218
	Depreciation	11	12,71,49,037	10,37,54,505
	Other Expenses	26	106,46,45,323	94,31,24,166
	Total Expenses		469,68,38,798	400,44,01,801
V	Profit before exceptional and extraordinary items and tax (III-IV)		45,82,24,719	51,92,85,308
VI	Exceptional Items (Excess provision of Income Tax written back)		11,87,866	79,11,682
VII	Profit before extraordinary items and tax (V + VI)		45,94,12,585	52,71,96,990
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		45,94,12,585	52,71,96,990
X	Tax expense:			
	(1) Current tax		11,56,00,000	14,13,00,000
	(2) Deferred tax		3,21,24,573	2,94,90,159
XI	Profit(Loss) from the period from continuing operations (IX-X)		31,16,88,012	35,64,06,831
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		31,16,88,012	35,64,06,831
XVI	Earning per equity share: (Profit for the period / No. of equity shares)			
	(1) Basic		9.62	11.00
	(2) Diluted		9.62	11.00
	Accounting Policies and other Information	I		

As per our report of even date

for **V. Sridhar & Co.**

Chartered Accountants,

Firm No. 0062065

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor

M. No. 202337

A. Prathap Reddy

Chairman and Managing Director

G.Hemanth Reddy

Wholetime Director

Secunderabad

May 11, 2013

Arati S. Dudhawale

Company Secretary

Note I. Accounting Policies and Other Information

A. Significant accounting policies

(a) System of Accounting:

- i. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
- ii. The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.
- iii. Financial statements are prepared on historical cost basis and as a going concern.

(b) Revenue recognition:

- i. Sale of goods is recognized at the point of dispatch of goods to customers. Gross sales are inclusive of excise duty and net of value added tax / sales tax.
- ii. Dividends from investment are recognized as income of the year in which the same are declared by in the investee company.

(c) Tangible Fixed Assets and Depreciation:

Tangible Fixed Assets acquired by the company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost for this purpose includes the purchase price (net of duties and taxes which are recoverable in future) and expenses directly attributable to the asset to bring it to the site and in the working condition for its intended use.

Where the construction or development of any such asset requiring time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the asset is ready for its intended use.

Depreciation is provided on a straight-line basis at rates and in the manner specified in schedule XIV to the Companies Act, 1956, unless the use of a higher rate or an accelerated charge is justified through technical estimates.

(d) Investments: Investments are stated at cost.

(e) Inventories:

- i. Finished goods are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on Absorption costing basis. Excise duty is included in valuation of finished goods.
- ii. Stock in process/plant is valued at cost.
- iii. Stock of raw materials, Stores and Spares and packing materials are valued at cost. Cost for this purpose, does not include duties/taxes that are recoverable in future.

(f) Staff Benefits :

- i. Provident Fund Contributions are accounted on accrual basis.
- ii. The company has taken a policy of Group Gratuity Scheme of Life Insurance Corporation of India. All contributions made are charged to revenue.

(g) Research and Development:

Revenue expenditure on research and development is charged to Statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is treated at par with fixed assets and depreciated as such.

(h) Deferred Taxation :

Accounting treatment in respect of deferred taxation is in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

(i) Sales Tax Benefits:

Shortfall / increase in sales tax benefits accruing to the company are accounted for in the year in which the final assessment by the concerned authorities is completed.

(j) Borrowing Costs:

Costs in respect of borrowings for the purpose of expansion / additional fixed investments including R & D projects are capitalized to such investments.

(k) Foreign Currency Transactions:

Foreign Exchange Transactions are recorded at pre-determined standard exchange rates which are reviewed periodically. Gains or losses arising out of such periodic revisions of such standard rates and also on realization are accounted for accordingly.

(l) Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital.

(m) Segment Reporting :

The company's Hotel Division at Solapur is under construction and is yet to start commercial operations. Segment reporting in respect of these streams of revenues and investments will be made from the year of commencement of operations of this division. The amount invested in construction so far is included in Capital Work in Progress.

B. Contingent Liabilities:

Disputed Liability on account of income tax, interest thereon and penalty, Rs. 3.63 Crores, for Assessment Year 2007-08 to 2010-11 (including penalty in dispute Rs. 1.47 crores for assessment year 2007-08 and 2008-09 only). The Company has preferred an appeal against the demand. The amounts paid against the disputed demand Rs. 1.11 Crore are included in Short term Loans & Advances.

Notes Forming Part of Consolidated Financial Statements as at 31.03.2013

Rupees

Particulars		As at March 31, 2013		As at March 31, 2012	
2. Share Capital					
a. Authorised					
4,50,00,000 Equity Shares of Rs. 2/- each.		9,00,00,000		9,00,00,000	
		9,00,00,000		9,00,00,000	
b. Issued, Subscribed & Paid up					
3,24,01,000 Equity Shares of Rs. 2/- each fully paid up		6,48,02,000		6,48,02,000	
		6,48,02,000		6,48,02,000	
c. Par Value of Shares		Rs. 2/-		Rs. 2/-	
d. No. of Shares outstanding at beginning the year		3,24,01,000		3,24,01,000	
Changes during the year		-		-	
No. of Shares outstanding at end of the year		3,24,01,000		3,24,01,000	
e. Restriction on Disbursement of Dividend					
As part of the general terms & conditions in respect of borrowings from Banks, prior permission should be taken from the lending Banks before distrubution of dividend. Similarly, the term lenders have imposed a condition that, no dividend shall be declared in the event of default in the scheduled repayment of instalment.					
f. Shareholder Holding More Than 5% Shares					
		No. of Shares		Percentage	
Sl. No.	Name of the Share Holder	Current year	Previous Year	Current year	Previous Year
1.	Ande Prathap Reddy	4888050	5538050	15.09	17.09
2.	APR Holdings Investment Pvt. Ltd.	4712415	4712415	14.54	14.54
3.	A. Shakunthala Devi	1944450	2876450	6.00	8.88
g. During the five years immediately preceding the financial year 2012-13, the company has not issued any shares without payment being received in cash, nor issued any bonus shares and the company did not buy back any shares.					
The company has only one class of shares i.e. Equity Shares.					

Notes Forming Part of Consolidated Financial Statements as at 31.03.2013

Rupees

Particulars		As at March 31, 2013	As at March 31, 2012
3. Reserve & Surplus			
Capital Reserve (representing profit on re-issue of forfeited shares)		6,20,505	6,20,505
State Subsidy		30,00,000	30,00,000
Share Premium Account		5,69,61,000	5,69,61,000
Total A :		6,05,81,505	6,05,81,505
General Reserve			
Beginning of the year		14,79,76,000	11,23,14,000
Additions during the year		3,11,81,000	3,56,62,000
[Transferred from Current Year Profits]			
Total B :		17,91,57,000	14,79,76,000
Balance in Profit & Loss Statement brought forward from previous year		117,77,00,966	88,70,82,585
Profit for the year		31,16,88,012	35,64,06,831
Less : Provision for proposed Dividend on Equity Shares		0	
a. Dividend for the year (40%)		2,59,20,800	2,59,20,800
b. Special Dividend (25%) on the occasion of the 25 th year of company incorporation		1,62,00,500	0
:Tax on Distributed Profits		68,34,181	42,05,650
:Transfer to General Reserve		3,11,81,000	3,56,62,000
Surplus in Profit and Loss Statement carried forward		140,92,52,497	117,77,00,966
Total C :			
Total (A + B + C)		164,89,91,002	138,62,58,471
4. Long Term Borrowings			
Term Loan			
State Bank of Hyderabad		67,57,16,806	68,33,89,288
State Bank of India		5,10,00,000	23,98,014
Term Loans - secured by first charge on all fixed assets of the company, both present & future and mortgage by deposit of the land title deeds (except otherwise specifically excluded)			
Bank of Baroda		2,95,11,103	3,85,52,936
[Secured specifically by first charge on Wind Electric Generator]			
Bank of Baroda		28,10,17,729	13,71,34,310
[Secured specifically by first charge on Land & Building of Hotel Project]			
		103,72,45,638	86,14,74,548
[The Directors of the company Viz.,Sri A. Prathap Reddy, Sri N. Rajeshwar Reddy, Sri D. Ram Reddy and Sri G. Hemanth Reddy have provided personal guarantee in respect of the above loans to the extent mentioned here under].			
Sr. No.	Name of the Bank	Agreegate Amount of Guarantee as per Sanction letter	Repayment Terms
1.	State Bank of Hyderabad	Rs. 136.00 Cr.	7 Year
2.	State Bank of India	Rs. 30.00 Cr.	7 Year
3.	Bank of Baroda	Rs. 5.95 Cr.	7 Year
4.	Bank of Baroda	Rs. 33.00 Cr.	7 Year

Notes Forming Part of Consolidated Financial Statements as at 31.03.2013

Rupees

Particulars		As at March 31, 2013	As at March 31, 2012
5. Deferred Tax Liability			
Beginning of the year relating to the fixed assets		36,60,87,570	33,65,97,411
Add : Provided during the year arising on account of timing difference in depreciation		3,21,24,573	2,94,90,159
		39,82,12,143	36,60,87,570
6. Other Long Term Liabilities			
Others		5,85,45,820	3,68,80,997
		5,85,45,820	3,68,80,997
7. Short Term Borrowings			
Secured			
Working Capital			
State Bank of Hyderabad		51,61,27,392	49,95,95,512
State Bank of India		39,82,69,735	49,26,20,605
ING Vysya Bank Ltd.		9,14,08,200	11,83,07,841
[Towards working Capital limits, secured by way of hyphothecation of stocks and book debts and second charge on all fixed assets of the company,(except Hotel Division) both present and future].			
[The above borrowing are also supported by personal guarantee of Directors of the company Viz., Sri A. Prathap Reddy, Sri N. Rajeshwar Reddy, Sri D. Ram Reddy and Sri G. Hemanth Reddy. The aggregate amount of gurantees provided by the directors towards fund based and non fund based working capital limits.			
SI. No.	Name of the Bank	Agreegate amount of guarantee as per sanction letter	Repayment Terms
1	State Bank of Hyderabad	Rs.161.00 Cr.	On Demand
2	State Bank of India	Rs.94.00 Cr.	On Demand
3	ING Vysya Bank Ltd.	Rs.43.00 Cr.	On Demand
Unsecured			
HDFC Bank Ltd.			
Short term corporate loan supported by two Post Dated Cheques and personal guarantee of the four whole time directors of the company.		5,00,00,000	0
		105,58,05,327	111,05,23,958
8. Trade Payable			
Trade Payables		35,23,55,385	34,20,47,937
Others		27,12,212	50,62,902
		35,50,67,597	34,71,10,839
9. Other Current Liabilities			
Instalment of Secured Term Loan from banks payable within one year.		30,76,52,010	18,61,18,000
Interest accrued & due on term loans		1,35,13,049	1,00,20,320
Others		1,81,47,043	98,92,234
Duties and Taxes		2,40,82,676	5,18,40,125
		36,33,94,778	25,78,70,679
10. Short Term Provisions			
Income Tax		11,56,00,000	14,13,00,000
Dividend on Equity Shares		4,21,21,300	2,59,20,800
Tax on Distributed Profits		68,34,181	42,05,650
Salaries & Wages		78,07,920	68,00,961
Commission to Directors		3,90,61,023	4,73,43,081
		21,14,24,424	22,55,70,492

Notes Forming Part of Consolidated Financial Statements as at 31.03.2013

Rupees

II : Tangible Assets

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.2012	Additions	Deletion	As at 31.03.2012	For the Period	Deletion	As at 31.03.2012	As at 31.03.2013
Land	65741713	10108868	0	75850581	0	0	65741713	75850581
Buildings	296226962	76000160	0	372227122	10178102	0	251293584	317115642
Wind Electric Generator	198347946	0	0	198347946	10472772	0	156545198	146072426
Plant & Ma- chinery	1580680428	407076245	7317123	1980439550	84009176	2762815	1175804663	1494317424
Plant & Machinery R & D	303613723	0	0	303613723	16029378	0	244311084	228281706
Furniture & Fixtures	6455875	11796015	0	18251890	673743	0	3782589	14904861
Office Equip- ment	8420728	997019	0	9417747	515479	0	4605776	5087316
Vehicle	24631135	6204746	1108900	29726981	2617405	614518	17483351	20576310
Others	48153193	3906608	0	52059801	2652982	0	40388290	41641916
Total	2532221703	516089661	8426023	3039935341	127149037	3377333	1959956248	2343848182

Notes Forming Part of Consolidated Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
12. Capital work in progress		
Amines Division	5,49,04,298	6,53,53,889
Hotel Division	57,43,22,992	18,13,03,902
	62,92,27,290	24,66,57,791
13. Non Current Investments		
(All unquoted unless otherwise specified)		
1000 Shares of Rs.100/- fully paid up in Progressive Effluent Treatment Plant Ltd.	1,00,000	1,00,000
Other Investment		
500 equity shares of Rs. 100/- each fully paid up in Solapur Janata Sahakari Bank	50,000	50,000
Balaji Greentech Products Ltd.	0	4,00,00,000
[4000000 10% cumulative redeemable preference shares of Rs.10/- each		
	1,50,000	4,01,50,000
14. Other Non Current Assets		
Deposit with Government Departments	1,79,64,478	81,93,080
Other Deposits	25,58,026	22,66,601
	2,05,22,504	1,04,59,681
15. Current Investments		
(All unquoted unless otherwise specified)		
Balaji Greentech Products Ltd.		
(14000000 10% cumulative redeemable preference Shares of 10/- each representing 100% of the preference share capital issued by the investee company)	14,00,00,000	0
Balaji Greentech Products Ltd.		
(5940000 Equity Shares of Rs. 10/- each amounting to 66% of the share capital of the investee company. Previous year 2,94,000/- equity shares of Rs.10/- each.	5,94,00,000	2,94,00,000
Balaji Sourcings Pvt.Ltd.		
(900000 Equity Shares of Rs. 10/- each)	-	90,00,000
	19,94,00,000	3,84,00,000
16. Inventories		
[As verified, valued and certified by the Management.]		
Raw Material	14,55,51,373	42,07,29,803
Work-in-Progress	9,08,43,791	10,64,73,037
Finished Goods	20,07,14,386	43,53,91,001
Goods-in-transit / At Bonded Warehouse	20,34,087	1,60,30,033
Stores, Spares & Packing Materials	2,56,89,704	2,48,34,995
Fuel, Others etc.	10,26,87,068	7,05,86,069
	56,75,20,409	107,40,44,938

Notes Forming Part of Consolidated Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
17. Trade Receivables		
(Unsecured and considered good)		
Over Six Months	31,41,767	52,45,828
Others Debts	101,96,86,392	81,61,24,733
	102,28,28,159	82,13,70,561
18. Cash & Cash Equivalent		
Cash in hand	21,252	63,567
Cash with Scheduled Banks		
In Current Accounts	10,92,584	15,35,231
In Margin money account	2,56,61,760	4,31,88,190
	26,775,596	4,47,86,988
19. Short Terms Loans and Advances		
Balance with Revenue Authorities	8,84,03,218	12,41,52,237
Advance Income Tax (Including TDS)	10,43,73,414	14,04,56,924
Advances to Suppliers	2,01,65,197	2,92,75,945
Others - Unsecured, considered good	5,39,83,362	3,15,02,279
Employees Advances	14,78,877	16,19,977
Capital Advances recoverable in within one year	11,48,12,521	9,37,45,986
	38,32,16,589	42,07,53,348
20. Other Income		
Income from Wind Electric Generator	1,95,65,921	2,14,77,460
Interest income from Bank	54,91,440	40,53,586
Misc. Income	30,46,377	29,20,417
Profit on Sale of Short Term Investments	90,00,000	0
	3,71,03,738	2,84,51,463
21. Raw Material Consumed		
Opening Stock	42,07,29,803	27,32,01,073
Add:		
Purchases of Raw Material - Domestic	138,25,86,908	105,71,28,251
Purchases of Raw Material - Imports CIF Value	121,39,54,830	190,12,80,184
Sub - Total	301,72,71,541	323,16,09,508
Less		
Closing Stock	14,55,51,373	42,07,29,803
Net Total	287,17,20,168	281,08,79,705
22. Changes in Inventories of Finished Goods & Work in Process		
Opening Stock		
Finished Goods	43,53,91,001	26,68,28,352
Work-in-process	10,64,73,037	9,06,58,627
Sub - Total	54,18,64,038	35,74,86,979
Less		
Closing Stock		
Finished Goods	20,07,14,386	43,53,91,001
Work-in-process	9,08,43,791	10,64,73,037
Sub - Total	29,15,58,177	54,18,64,038
Increase (-) / Decrease(+)	25,03,05,861	-18,43,77,059

Notes Forming Part of Consolidated Financial Statements as at 31.03.2013

Rupees

Particulars	As at March 31, 2013	As at March 31, 2012
23. Employee Benefit Expenses		
Salaries, Wages & other allowances	10,90,20,605	9,61,53,321
Bonus	53,32,331	51,94,837
Gratuity Premium & Provident Fund	77,65,220	63,21,755
Staff Welfare Expenses	22,06,677	23,25,246
Group Insurance	46,81,383	89,68,107
	12,90,06,216	11,89,63,266
24. Financial Cost		
Interest on Working Capital	13,71,85,229	11,60,22,800
Interest on Term loan	10,50,18,635	7,85,52,076
Processing Charges of Working Capital	30,18,669	30,50,450
Bank Charges	87,89,660	1,44,31,892
	25,40,12,193	21,20,57,218
25. Other Expenses		
a) Manufacturing Expenses		
i) Power and Fuel Consumed	54,34,37,892	49,98,93,982
ii) Store, Spares and Packing Material Consumed	21,52,03,047	18,27,59,919
iii) Repairs & Maintenance - Plant & Machinery	76,63,986	58,35,313
iv) Repairs & Maintenance - Building & Others	6,74,142	14,64,392
v) Insurance to Plant & Machinery	26,84,131	21,29,090
b) Selling & Distribution Expenses		
i) Advertisement, Publicity & Sales Promotion Expenses	1,33,53,292	1,49,08,294
ii) Discount on Sales	2,32,02,804	2,25,95,022
iii) Freight & Forwarding (Including Ocean Freight)	14,24,39,633	10,76,05,637
iv) Other Selling & Distribution Expenses	1,72,47,193	1,84,11,746
v) Insurance	27,18,432	14,72,611
c) Administrative & General Expenses		
i) Rent, Rates & Taxes	1,44,47,718	1,12,31,119
ii) Insurance	29,01,104	26,94,088
iii) Salaries & allowances to Directors	1,20,01,200	1,13,43,600
iv) Commission to Directors	3,90,61,023	4,73,43,081
v) Foreign Exchange Fluctuations Loss / (Gain)	-88,82,814	-1,37,02,030
vi) Auditors Remuneration		
a) Audit Fees	11,66,545	10,16,545
b) Tax Audit Fees	2,25,000	2,75,000
c) Tax and Other Matters	2,50,000	3,00,000
vii) Other Expenses	3,48,50,995	2,55,46,757
	106,46,45,323	94,31,24,166

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2012-2013

Rupees

Particulars	Current Year	Previous Year
A. Cash flows from operating activities		
Profit before interest and tax	7134.25	7392.54
Exceptional Items	-11.88	-79.12
Other income considered	-371.04	-284.51
Depreciation	1271.49	1037.55
Non Cash Charges (Loss on Sale of Asset)	13.62	7.73
Increase in Current Liabilities	731.55	3745.94
Increase (-)/ Decrease (+) in Inventories	5065.25	-3680.69
Increase in Debtors	-2014.57	-838.72
Increase in Other Current Assets, Loans & Advances	-935.35	-1094.71
Less : Income tax including dividend distribution tax	-1443.18	-908.57
Cash flow from Operating Activities	9440.14	5297.44
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-8986.59	-5952.48
Sale of Fixed Asset	36.92	31.24
Long term investments made	0.00	0.00
Other Income	371.04	284.51
Cash flow from Investing activities	-8578.63	-5636.73
C. Cash Flow from Financing Activities		
Secured loans	1757.71	2199.05
Interest paid	-2540.12	-2120.57
Dividend	-259.21	-194.41
Cash Flow from Financing Activities	-1041.62	-115.93
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-180.11	-455.22
Cash and cash equivalents (beginning of the year)	447.82	903.04
Cash and cash equivalents (end of the year)	267.71	447.82
Increase in cash and cash equivalents (closing minus opening balances)	-180.11	-455.22

As per our report of even date
for **V. Sridhar & Co.**
Chartered Accountants,
Firm No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
M. No. 202337

A. Prathap Reddy
Chairman and Managing Director

G.Hemanth Reddy
Wholetime Director

Secunderabad
May 11, 2013

Arati S. Dudhawale
Company Secretary

FORM FOR ECS MANDATE / BANK MANDATE

To
Venture Capital and Corporate Investments Pvt. Limited
(CATEGORY-I REGISTRARS)
12-10-167
Bharatnagar
Hyderabad-500018
040-23818475/476 ; Fax: 040-23868024

Dear Sir,

I/We.....do hereby authorize Balaji Amines Limited to

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Services (ECS) - ECS Mandate.*
- Print the details of my Bank account as furnished below, on my dividend warrant which will be mailed to me-Bank Mandate*
(* Strike out whichever is not applicable)

Folio No.....

DP ID.....

(For Shares held in physical form)

Client ID.....

- A. Name of First holder
- B. Bank Name
- C. Branch Name
- D. Branch Address (for ECS Mandate only)
- E. Bank Account Number
- F. Account Type (Saving / Current)
- G. 9 Digit Code Number of the bank & branch

Appearing on the MICR cheque
(for ECS Mandate only)

I hereby declare that particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Balaji Amines Limited will not be held responsible.

Signature of first named shareholder
(as per specimen lodged with the Company)

Note: Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.

BALAJI AMINES LIMITED

Registered Office: Balaji Towers , No. 9/1A/1,
Aasara chowk, Hotgi Road, Solapur-413224

PROXY FORM

Regd. Folio No./DP.ID & Client ID No.

No.of Shares :

I/We.....

of

being member(s) of M/s. BALAJI AMINES LIMITED hereby appoint

of.....

..... on my / our behalf of as indicated below

at the Twenty Fifth Annual General Meeting of the Company to be held at 11.30 a.m. on Monday 30th September 2013 and
at any adjournment thereof.

Agenda Item	Vote *	Agenda Item	Vote *	Agenda Item	Vote *	Agenda Item	Vote *	Agenda Item	Vote *
No.1		No.2		No.3		No.4		No.5	
No.6		No.7		No.8		No.9		No.10	
No. 11		No. 12		No.13					

Signed this day of2013.

* Please state in this column whether 'in favour of' or 'against'

Affix
Re.1/-
Revenue
Stamp

Note: Proxy Form duly completed must reach the Company's Corporate Office at least 48 hours before the commencement of the meeting.

BALAJI AMINES LIMITED

Registered Office: Balaji Towers , No. 9/1A/1,
Aasara chowk, Hotgi Road, Solapur-413224

TWENTY FIFTH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

DP .Id No :

Master Folio No :

Client Id :

No.of Shares :

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 25th Annual General Meeting of the Company, being held on Monday, 30th September 2013
at 11.30 a.m. at the Registered Office of the Company.

Signature(s) of the member(s) or proxy present.



Distribution of Lab equipment for schools



Distribution of Competitive Exam Books



Distribution of Cement Water Tanks



Distribution of Lab equipments



Installation of Solar Lamps



Plantation Tamalwadi



AMINES LTD.

Registered Office

Balaji Towers, No 9/IA/I,
Aasara Chowk, Hotgi Road,
Solapur, Maharashtra - 413224

Administrative Office

3rd Floor, KPR House
Sardar Patel Road
Secunderabad - 500003, AP

FORM A

**COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH
THE STOCK EXCHANGES**

1.	Name of the Company:	BALAJI AYINGS LTD
2.	Annual financial statements for the year ended	31.03.2013
3.	Type of Audit observation	Un-qualified / Matter of emphasis
4.	Frequency of observation	NA
5.	To be signed by- • CEO/Managing Director • CFO/Heading Finance Department • Auditor of the Company • Audit Committee Chairman	  