

Balaji

AMINES LIMITED

26th
Annual Report
2013-14






BALAJI
SAROVAR PREMIERE
 solapur
 A DIVISION OF BALAJI AMINES LIMITED
 Solapur's first world class Luxury destination!

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. Pattabhiraman	Member
Mr. C.S.N. Murthy	Member

Stake Holder's Relationship 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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

Mr. Kashinath R. Dhole	Chairman
Mr. N. Rajeshwar Reddy	Member
Mr. D. Ram 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, Telangana.

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
Vidhyanagar, HYDERABAD – 500 044.

Internal Auditors

Aherkar & Co.
Battin Complex,
35, Ganesh Peth, SOLAPUR-413 005.

Bankers

State Bank of Hyderabad
State Bank of India
HDFC Bank Ltd
Bank of Baroda

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

Factories

Unit 1

Tamalwadi Village,
Tuljapur Taluka,
Osmanabad - District - 413623.
Maharashtra.

Unit 2

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

Unit 3

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

Hotel Division

Balaji Sarovar Premier

Survey No.9/1A/1, Aasara Chowk,
Hotgi Road, Solapur – 413 224.
Maharashtra.

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CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

HIGH LIGHTS

Gross Sales up 19.96%, from Rs 556.33 Crores to Rs 667.41 Crores

Net Sales up 19.21%, from Rs 511.79 Crores to Rs 610.13 Crores

EBITDA up 11.55% from Rs 83.93 Crores to Rs 93.62 Crores

Exports up 12.86% from Rs. 131.52 Crores to Rs. 148.44 Crores



Dear Shareholders,
Warm greetings to you all.

The performance of your company during 2013-14 was exceptional considering challenging Economic scenario. Your company was able to post consistently higher performance even under these adverse economic conditions.

During the year, your company has achieved 19.96% growth in gross sales and recorded Rs. 667.41 Crores from Rs.556.33 Crores during 2012-13. Exports during the year were Rs. 148.44 Crores as against Rs. 131.52 Crores during the previous year.

The Company has received REACH CERTIFICATE for four of the products namely, Triethylamine, Gammabutyrolactone, N-Ethyl-2-Pyrrolidone (NEP), N-methyl 2 Pyrrolidone (NMP) which enables the company to increase exports to Europe.

Further, all the expansion plans embarked upon by the company have been successfully completed. The results of the same will be seen during the following years.

The company's 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 European Union. This plant is the only plant in India to manufacture PVP K 30 which has been successfully audited by multiple multinational auditing agencies as well as customers and got appreciations for our capabilities in developing world class plants and process know how.

Your company is India's only manufacturer of speciality chemicals like N-Methyl 2 Pyrrolidone (NMP), Gammabutyrolactone (GBL), Morpholine, PVP K 30, N-Ethyl-2-Pyrrolidone (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. The company has patented the process of manufacturing of the N-Methyl-2-Pyrrolidone (NMP).

Majority of the 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 the top companies in the years to come.

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

- During the year, Company's 129 Room Five Star Hotel Property, "Balaji Sarovar Premiere" at Solapur was commissioned in the month of November 2013, which is being managed by Sarovar Group of Hotels started to show good performance with an increase in revenues during 5 months of its operations.

With all the above, I am confident that your company will continue its growth path in the coming years. I take this opportunity to thank all our stakeholders, customers, 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 26th Annual General Meeting of the Members of Balaji Amines Limited will be held on Monday 29th Day of September 2014 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

1. To receive, consider and adopt the Audited Statement of Profit and Loss, Cash Flow Statement for the year ended on 31st March 2014 and the Balance Sheet as at that date and also the reports of Auditors' and Board of Directors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Sri. N. Rajeshwar Reddy Joint Managing Director, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s. V. Sridhar & Co., Chartered Accountants, Hyderabad as statutory Auditors of the company, who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Chairman & Managing Director to fix their remuneration,

"RESOLVED THAT, pursuant to the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, M/s. V. Sridhar & Co., Chartered Accountants, Hyderabad (ICAI Firm Registration No 006206S) the retiring Auditors, be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company and Shri. A. Prathap Reddy, the Chairman & Managing Director is hereby authorized to fix the remuneration based on the recommendation of the Audit Committee and such remuneration may be paid on progressive billing including the service tax, as may be mutually agreed".

SPECIAL BUSINESS

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

Appointment of Mrs. Vimala B. Madon as Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mrs. Vimala B. Madon who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and rules made there under 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 160 of the Companies Act 2013 proposing her candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, for five consecutive years with effect from 28.07.2014."

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

Appointment of Shri. S.V. Pattabhiraman as an Independent Director of the Company

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. S. V. Pattabhiraman (DIN 00195247), Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 29th September 2014 upto 28th September 2019.”

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

Appointment of Shri. T. Naveena Chandra as an Independent Director of the Company.

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. T. Naveena Chandra (DIN 00231636) Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 29th September 2014 upto 28th September 2019”.

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

Appointment of Shri. M. Amarender Reddy as an Independent Director of the Company

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. M. Amarender Reddy (DIN 05182741) Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 29th September 2014 upto 28th September 2019”.

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

Appointment of Shri. Chavali Satyanarayana Murthy as an Independent Director of the Company

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. Chavali Satyanarayana Murthy (DIN 00142138) Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 29th September 2014 upto 28th September 2019”.

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

Appointment of Shri. Kashinath Dhole as an Independent Director of the Company

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. Kashinath R. Dhole (DIN 01076675) Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 29th September 2014 upto 28th September 2019”.

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

To modify the terms and conditions of remuneration payable to Shri. A. Prathap Reddy, Chairman & Managing Director.

“RESOLVED THAT in partial modification of the earlier resolution passed by the Shareholders in their 25th Annual General Meeting held on 30th September 2013 and pursuant to the section 197 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, the terms of remuneration payable to Shri. A. Prathap Reddy be and is hereby modified as following, which is approved by the Nomination and Remuneration committee in consultation of Board of Directors.

- 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 : Up to 3% of the net profits of the year as computed according to the Companies Act, 2013.

III. Overall remuneration:

The overall remuneration (i.e. salary, perquisites and commission) in any one financial year shall not exceed 3% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, 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 Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Shri. A. Prathap Reddy.

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, except Commission, subject to the ceiling mentioned in Schedule V of the Companies Act 2013.

“RESOLVED FURTHER THAT there shall be no change in the other terms and conditions of Appointment of Shri A. Prathap Reddy, as the Chairman & Managing Director of the company except for the modifications in the terms of remuneration payable.

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

To modify the terms and conditions of remuneration payable to Shri. A. Srinivas Reddy, Director (Projects).

“RESOLVED THAT in partial modification of the earlier resolution passed by the Shareholders in their 25th Annual General Meeting held on 30th September, 2013 and pursuant to the section 197 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, the terms of remuneration payable to Shri A. Srinivas Reddy be and is hereby modified as following, which is approved by the Nomination and Remuneration committee in consultation of Board of Directors.

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.
- l) Commission on Profits: Up to 2% of the net profits of the year as completed according to the Companies Act, 2013.

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 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act 2013, 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 Nomination and Remuneration Committee. Further, within the overall remuneration, the individual components may be changed as desired by Shri. A. Srinivas Reddy.

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, except Commission as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act, 2013 .

“RESOLVED FURTHER, that there shall be no change in the other terms and conditions of Appointment Shri A. Srinivas Reddy, as the Director (Projects) of the company except for the modifications in the terms of remuneration payable.

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

To consider and reconfirm the authority to Board of Directors to borrow In excess of the Paid Up Capital and Free Reserves : powers of the Board .

“RESOLVED THAT in supersession of the resolution passed at the 25th Annual General Meeting of the Shareholders of the Company held on 30th September, 2013, and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys 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)”.

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

Creation of charge/security over the assets/undertaking of the Company, in respect of borrowings.

“RESOLVED that in supersession of the resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 30th September, 2013 and pursuant to Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the power conferred to as the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such a manner as the Board/Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure

rupee term loans/ foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 1000 Crores together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreement/ loan Agreements/Debenture Trust Deeds entered/to be entered into by the Company in respect of the said borrowings."

15. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

Payment of Remuneration to the Cost Auditor for the Financial Year ending 31st March, 2015.

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed there under and subject to all other approvals, if any required, the Company be and is hereby authorized to pay a remuneration to M/s. NVS Kapardhi, Cost Accountant in practice (Registration No. 9488) as may be fixed by Shri. A. Prathap Reddy, the Chairman and Managing Director of the Company to the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March , 2015"

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**BY ORDER OF THE BOARD OF DIRECTORS
FOR BALAJI AMINES LIMITED**

**Place : Solapur
Date : 28 /07/2014**

**ARATI S. DUDHAWALE
COMPANY SECRETARY**

NOTES :

- i. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- ii. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself/herself. such a proxy/ proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- iii. The Register of members and share transfer books of the company will remain closed from 24-09-2014 to 29-09-2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2013-14. The dividend if declared will be paid to the Members, whose names appear in the register of members as on 29-09-2014.
- iv. A Dividend of Re 1/- per share (50% on the face value of equity share) has been recommended by the Board of Directors for the year ended 31st March 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 4th October, 2014.
- v. (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 24-09-2014 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.
- vi. 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.
- vii. Shareholders who have not yet encashed their dividend warrant for the year 2006-07 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.
- viii. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- ix. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

- x. Consequent upon the introduction of Section 56 of the Companies Act, 2013, 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.
- xi. 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.
- xii. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.balajiamines.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Solapur for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@balajiamines.com
- xvii. Voting through electronic means
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- a) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s) :
 - i) Open email and open PDF file viz; "balaji amines limited e-Voting.pdf" with your Client ID or Folio No. as password.
The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii) Click on Shareholder – Login
 - iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- vii) Select "EVEN" of Balaji Amines Limited.
- viii) Now you are ready for e-voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to suryacorporatelawyer@gmail.com or cs@balajiamines.com with a copy marked to evoting@nsdl.co.in
- b) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM /Back Cover Page of the Annual Report 2013-14 physically sent :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
------------------------------	---------	--------------
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - (iii) Kindly refer the Back Cover page for ID and Password.
- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- B. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The e-voting period commences on 18-09-2014 (9:00 a.m.) and ends on 20/09/2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22-08-2014 , may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- E. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd August, 2014.
- F. Shri. Y. Suryanarayana, Advocate, High Court of A.P. and Telangana has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- H. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.balajiamines.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, The Bombay Stock Exchange Limited and The National Stock Exchange Limited.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR BALAJI AMINES LIMITED**

**Place: Solapur
Date: 28 /07/2014**

**ARATI S. DUDHAWALE
COMPANY SECRETARY**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the business mentioned at Item Nos. 4 to 15 the accompanying Notice dated 28th July, 2014.

Item No.5

The Board of Directors co-opted Mrs. Vimala B. Madon, as Additional Director w.e.f 28.07.2014, pursuant to the provisions of Section 161 of the Companies Act 2013 and holds office as such up to the date of this Annual General Meeting. Accordingly, It is proposed to appoint Mrs. Vimala B. Madon as Independent Directors under Section 149 of the Act to hold office for a term of 5 (five) years from 28th July, 2014 upto 27th July 2019. The Company has received notices in writing under Section 160 of the Act, proposing the candidature of Mrs. Vimala B. Madon for the office of Independent Director of the Company.

The Company has also received declarations from Mrs. Vimala B. Madon that she meets with criteria of Independence as prescribed under sub-section (6) of Section 149 of the Act.

The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mrs. Vimala B. Madon fulfills the conditions specified in the Act and the Rules made there under relating to eligibility to be appointed as Independent Director and that she is independent of the management of the Company.

The Board considers that keeping in view of the vast expertise and knowledge, it will be in the interest of the Company that Mrs. Vimala B. Madon be appointed as an Independent Director.

Copy of the letter of appointment of Mrs. Vimala B. Madon as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Accordingly, the Board recommends the ordinary resolution, for the approval by the shareholders of the Company

Mrs. Vimala B. Madon being appointee is interested in the resolution and None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

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

No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange

Item 6-10

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Shri. S. V. Pattabhiraman, Shri. T. Naveena Chandra, Shri. M. Amarendra Reddy, Shri. Chavali Satyanarayana Murthy and Shri. Kashinath R. Dhole as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from 1st October, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors to hold office for five consecutive years for a term with effect 29th September, 2014 upto 28th September 2019.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days except Saturdays, during business hours upto the date of the Meeting.

The Board commends the Ordinary Resolutions set out at Items Nos. 6 to 10 of the Notice for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos.6 to 10 of the Notice with regard to their respective appointments. Other than the above Independent Directors, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Items Nos.6 to 10 of the Notice.

ITEM NO 11 & 12

Shri. A. Srinivas Reddy, was appointed as Whole Time Director in the company with effect from 11th May, 2013, and was regularized as Director (Projects) at the 25th Annual General Meeting held on 30th September 2013 by the shareholders.

The Nomination and Remuneration Committee, after considering the responsibility, contribution and performance of A Srinivas Reddy, have proposed a Commission of 2% on the Net Profits of the Company in addition to the existing remuneration.

In view of the overall ceiling limits prescribed under Section 197 of the Act read with Schedule V of the Act, it is proposed to modify the remuneration package payable to Shri A. Prathap Reddy, the Chairman and Managing Director by change in the percentage of commission payable on profit from 5 percent to 3 percent.

The modifications to the remuneration as proposed in the Item no 11 & 12 require the approval of the shareholders in general meeting by way of Special Resolution in terms of provisions of of Schedule V of the Companies Act, 2013.

Hence the resolution is commended for your approval.

Shri. A. Prathap Reddy, Shri. N. Rajeshwar Reddy, Shri. D Ram Reddy and Shri. G. Hemanth Reddy, Shri. A. Srinivas Reddy Directors and their relatives are concerned or interested in this resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

ITEM NO. 13 & 14

The members of the Company at their 25th Annual General Meeting held on 30th September, 2013 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid

up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 1000 Crores (Rupees One thousand Crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated 25th March, 2014 clarified that Ordinary Resolutions passed under Sections 293(1)(a) and 293 (1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until 11th September, 2014.

It is, therefore, necessary to obtain the consent of the members by passing Special Resolution under Section 180(1)(c) and 180 (1) (a) to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to create charges / mortgage in favour of lenders.

The Directors commend the Resolutions at Item Nos. 13 and 14 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 13 and 14, except to the extent of their shareholding in the Company.

ITEM NO.15

The Board had on 28th July, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of Shri N.V.S Kapardhi., the Cost Auditors to conduct the audit of the Cost records pertaining to products and their groups maintained by the Company for the Financial Year ending 31st March, 2015

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No.15 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 15 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.15 of the Notice.

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	N. Rajeshwar Reddy	T. Naveen Chandra	S.V. Pattabhiraman	M. Amarendra Reddy	Chavali Satyanarayanna Murthy	Kashinath R Dhole	Vimala B. Madon
Date of Birth	02.02.1955	28.11. 1960	16.08.1943	22.10.1951	12.13.1967	01.06.1949	17.08.1948
Date of Appointment on the Board	27.10.1988	24.06.1996	25.01.2006	30.01.2012	30.01.2012	11.05.2013	28.07.2014
Qualification, Experience & Expertise	He holds a Bachelor's degree in Commerce and has over 30 years of experience across variety of industries.	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.	He is an Independent Director of the company. He started his Banking career with State Bank of Hyderabad (SBH) in 1961 and had worked in various capacities as regional head, Asst. General Manager in the internal audit department conducting branch audits as well as management audit of zonal offices. To add up, he was the zonal head for State Bank of Travancore and SBH, before becoming General Manager with SBH in implementing new customer friendly schemes. He retired as General Manager in SBH in 2003. After retirement he got associated with Sarath & Associates and Shreyas Management Services Pvt. Limited for screening of loan applications of private Sector banks and financial institutions preventing fraudulent loans. He has also undertaken investigations in insurance and child labour.	He is an Independent Director of the Company. He is a Graduate. He started his career in State Bank of Hyderabad and worked in various capacities as Branch Manager, Chief Manager, Asst. Manager and Dy. General Manager. He also worked with State bank of Mysore as Dy. General Manager.	He is an Independent Director of the Company. He is a Chemical Engineer. He started his career with ICICI Venture, and was a Management consultant, Entrepreneur and Professional Executive in different industries. He worked with Pharma Industry as Chief Operating Officer of a Generic Pharma Co., followed by a stint at Dr. Reddy's in the corporate development department. He has, since 2005, been the CEO of Aurigene Discovery Technologies Ltd.	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.	M.A in English, Diploma in French She started her banking career in the year 1971-72 as a probationary officer. Held various positions in different parts of the country including of Branch Manager of small, medium, and large branches. She has a experience of 40 years. She has retired as General Manager (technology) at SBH and later State Bank of Travancore along with the portfolio of MIS and Business Process Re engineering at Bank' head offices in Hyderabad and Thiruvananthapuram till her retirement in the year 2008.

ADDITIONAL INFORMATION

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

Directorship in other public companies (Excluding foreign companies and section 25 Companies)	1. Balaji Greenfield Techno Ventures Private Limited 2. Tirumala Precicasts Pvt. Ltd. 3. Balaji Speciality Fine Chem Products Private Limited	1. Saaketa Consultants Limited 2. Zenith Alternative Energy Ventures Private Limited 3. Saaketa Finstock Private Limited 4. CHJ Securitie Private Limited	1. Shreyas Management Services Private Limited 2. Northgate Technologies Ltd. 3. 3N Enterprises	NIL	1. Aurigene Discovery Technologies Limited 2. Gland Chemicals Private Limited	1. Kross International Private Limited 2. Lokmangal Hospitals Private Limited 3. Aadhar Life Sciences Private Limited.	NIL
Shareholding	5,94,895	50	NIL	NIL	2000	NIL	NIL

BALAJI AMINES LIMITED

CIN: L24132MH1988PLC049387
 Registered office: Balaji Towers, No. 9/1A/1, Hotgi Road Aasara Chowk , Solapur 413224
 Phone: +91 - 217 - 2310 824
 Fax: +91 - 217 - 2451 521
 e-mail : cs@balajiamines.com
 Web: www.balajiamines.com
 Date: 28/07/2014

BY ORDER OF THE BOARD OF DIRECTORS
 FOR BALAJI AMINES LIMITED

ARATI S. DUDHAWALE
 COMPANY SECRETARY

DIRECTOR'S REPORT

Dear Shareholders

Your Directors have immense pleasure in presenting the Twenty Sixth Annual Report of the company with Audited Financial Statements for the year ended 31st March, 2014.

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 (2013-2014)	PREVIOUS YEAR(2012-2013)
1.	Gross Sales	66741.45	55633.36
2.	Less: Excise Duty	5728.82	4453.76
3.	Net Sales	61012.63	51179.60
4.	Other Income	260.26	371.04
5.	Total Income	61272.89	51550.64
6.	Expenditure	51911.05	43158.00
7.	Profit before interest, depreciation and tax	9361.85	8392.63
8.	Depreciation	1646.49	1268.79
9.	Profit before interest & tax	7715.36	7123.84
10.	Interest and Finance Charges	3151.04	2540.12
11.	Prior Period items	--	11.88
12.	Profit before tax	4564.31	4595.60
13.	Provision for taxes (including DTL)	1212.04	1477.25
14.	Profit after tax	3352.27	3118.35
15.	Dividend for the year (including corporate dividend tax)	376.58	489.55
16.	Transfer to reserve	335.23	311.84
17.	Balance carried forward to Balance Sheet	2640.46	2316.96
18.	Reserves(Excluding Revaluation reserves)	19576.20	16600.33
19.	EPS (Rs) on face value of Rs. 2/- each share	10.35	9.62

OPERATING RESULTS AND BUSINESS

Your Company achieved exceptional performance though there was general slowdown in economy and bleak outlook of domestic Chemical Companies. Your company has achieved a Gross turnover of Rs. 667.41 Crores as compared to Rs. 556.33 Crores during the previous year. Your company registered an impressive year on year growth of 19.96% in gross sales. Profit after Tax stands at Rs. 33.52 Crores in the current year as compared to Rs. 31.18 Crores for the previous year.

The performances is attributed to increase in value chain of some of the products and plant efficiencies which has impacted the consumption co-efficient of materials compared to previous year and with stringent cost control measures 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 this performance in these competitive market.

Present anti dumping duties on imports of Morpholine from China PR, EU and USA has resulted in reducing price pressure from such dumped imports on Morpholine produced and supplied by the Company in the Indian market. However, imports (dumped) of Morpholine from the above stated countries are still taking place at significant levels forcing the Company to keep its prices below reasonable levels to match the imported dumped price of Morpholine. Existing duties are essential to re-establish fair play in the market and counter act continued dumped imports from the above said countries. Also, PVPK-30 produced by the Company is facing unfair competition in the Indian market on account of cheap imports of the same primarily from China PR. The Company would pursue the legal options available with it under the WTO regime to prevent this unfair practice so as to observe fair play in the Indian market. Anti dumping duties on both these products will have a significant bearing on the profitability of the Company from this segment.

EXPORTS

The Exports of the company has grown marginally in value and there was over all increase in volume and mix of products. The REACH certification and certificate of suitability has improved Exports growth by 12% over the previous year from Rs. 131.52 Crores to Rs. 148.44 Crores. The Company's products are well established in the Global Market due to international standard maintained in the quality.

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 Re 1/- per share (50% on paid up value of Rs. 2/- per share). The total cash outflow on account of dividends payable including dividend distribution tax payable is Rs. 376.58 lacs.

The auditors vide clause (ix)(b) to the annexure to their report referred to the liability in dispute regarding Income Tax to the tune of Rs. 2.16 Crores and for the penalty amount to the tune of Rs. 1.47 Crores. At the time of the audit the matter was pending before the Hon'ble Income Tax Appellate Tribunal, Pune. Subsequently the Hon'ble Income Tax Appellate Tribunal, Pune has allowed the appeal in favour of the company. Consequent to such order both the Tax liability and penalty will not exist.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 335.23 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 2640.46 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 improved efficiencies of raw materials, utilities and 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 activities in the following activities.

- Unit – 3 R&D Centre, has been awarded recognition by Government of India, Ministry of Science and Technology.
- Several improvements in Polyvinyl Pyrrolidone plant resulting in lower consumption coefficients as well as research on addition of new stream of k-values being explored.
- Identification of new products and development of latest process technologies are continuously worked on.
- Continuous improvement of processes and fine tuning of process parameters to optimize utilization of energy, utilities and raw materials consumption.
- Backward and forward integration of products to improve value chain and better utilization of all the resources.
- Adoption of advanced technology in improvement of processes resulting in minimizing the impact on environment and concentration of Reduce, Reuse and Recycle all the resources.

EXPANSION / DIVERSIFICATION

The following expansion/ diversification projects were undertaken during the year 2013-14:

- During the year Company's 5 star Hotel Property has started commercially from 1-11-2013 which is being managed by Sarovar Group of Hotels. The hotel division is consistently showing growth in revenues on month to month basis.

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 Shri. N. Rajeshwar Reddy, retire by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Shri. T. Naveena Chandra, Shri. S.V. Pattabhiraman, Shri. M. Amarender Reddy, Shri. Chavali Satyanarayana Murthy and Shri. Kashinath R. Dhole as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1st, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors to hold the office for five consecutive years for a term with effect from the conclusion of this 26th Annual General Meeting.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is being placed before the Members in General Meeting for their approval.

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.

CONSOLIDATED FINANCIAL STATEMENTS

In pursuance to the general Circular 08/2014 No. 1/19/2013-CL-V of Ministry of Corporate Affairs Dated 04-04-2014 for Applicability with regard to relevant financial Year, the company have complied with provisions, rules and regulations under the companies Act 1956.

And hence 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 2013-14 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 -1**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.

AUDITORS**i. Statutory Auditors**

V. Sridhar & Co, Chartered Accountants (ICAI Firm Registration No. 006206S), Hyderabad were appointed as the statutory auditors of the Company for the Financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 30th September, 2013 and hold office until the conclusion of the ensuing Annual General Meeting.

The company has received from the Auditors under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder a certificate of their eligibility and consent for re-appointment. to the effect that, their appointment, if made, would be within the prescribed limits under provisions of sections specified under the Act and that, they are not disqualified for such re appointment within the meaning of section of the said Act.

Pursuant to the provisions of section 139 of the companies act 2013 and other applicable provisions of the act the board of directors have recommended M/s V. Sridhar & Company as statutory auditor of the company to hold the office with effect from 1st of April 2014 by passing the resolution and have authorized Shri A. Prathap Reddy the Chairman and Managing Director to fix their remuneration.

ii. Internal Auditors

According to section 138 of the Companies Act 2013, read with rule 13 of The Companies (accounts) Rules 2014 requires the company to appoint internal auditor. The current internal Auditor M/s. Aherkar & Co, Chartered accountants, Solapur being eligible, they have offered themselves for their re-appointment. The Board of Directors have reappoint M/s. Aherkar & Co, Chartered accountants, Solapur as Internal Auditor of the company to hold the office w.e.f 1st of April 2014 by passing the resolution and have authorized Shri A. Prathap Reddy the Chairman and Managing Director to fix their remuneration.

iii. Cost Auditors

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for the Financial Year 2014-15 is proposed for the approval of the shareholders in the Notice of the AGM.

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 here to.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 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, 2014, 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

According to Sec.135 of The Companies Act 2013, our Company requires to constitute a Corporate Social Responsibility Committee and also adopt Corporate Social Responsibility Policy so as to ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, for the betterment of the society as a whole.

The Board at its meeting held on 28th July 2014 have constituted the CSR Committee and approved the Corporate Social Responsibility (CSR) Policy.

The company during the year to mitigate the water shortages due to severe drought conditions in Solapur and Osmanabad Districts 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 apart from providing other facilities for rural people with the association of its Social Organisation "Balaji Foundation and Research Centre."

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 throughout the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Solapur

Date : 28/07/2014

CHAIRMAN

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

Rupees

S.No.	Particulars	Current Year 2013-14
1	Share holding	100%
2	Share Capital	13,000,000
3	Reserves	(17114671)
4	Total Assets	3588184
5	Total Liabilities	3588184
6	Investments	100000
7	Turnover	120000
8	Profit Before Taxation	(150497)
9	Provision for Taxation	Nil
10	Profit After Taxation	(150497)
11	Proposed Dividend	Nil

ANNEXURE-1
Statement pursuant to 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 :	31-03-2014
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 account of Holding Company	Rs. (1,50,497)
- Not dealt with the accounts of Holding Company	
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	Rs. (2,09,814)
- Not dealt with the accounts of Holding Company	
6 Changes in the interest of Holding Company between the end of the last financial year and 31.03.2014	Nil
7 Material Changes between the end of the last financial year and 31.03.2014	Nil

For and on behalf of the Board of Directors

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholetime Director

Arati S. Dudhawale
 Company Secretary

Annexure -2**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 reasons of conservation of energy are:

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

Energy audits are done periodically and any further scope for improvements 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

- a. Optimizing the usage of pumping systems.
- b. Waste water recovery system and re-use.

(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:

Current Year				Previous Year	
Sr. No.	Nature of Income / Exposer	Amount In Foreign Currency	Amount In INR	Amount In Foreign Currency	Amount In INR
1.	Export Earnings	a. US Dollars –9990092 b. EURO –10656797	601722589.00 855796398.00	a. US Dollars 9057489.77 b. EURO – 9332691.60 c. GBP – 398167.79 d. JVP – 49244430.00	487854248.00 649352909.00 34230904.00 36648175.00
2.	Sales Commission	US Dollars –75713.76	4582836.00	USD 47583.26	2618752.00
3.	Registration & Renewals	US Dollars –292	16203.00	EURO – 3400	240380.00
4.	Travailing Expenses	a. US Dollars-15008.64 b. Euro – 1371.50	940946.00 115897.88	a. US Dollars – 14000 b. EURO - 7327	760500.00 501104.00
5.	Exhibition Charges	a. GBP – 135 b. EURO – 60690.52	12312.00 4863254.00	a. GBP – 125 b. EURO – 60204.43	11425.00 4268054.00
6.	Consultancy Charges	-	-	a. US Dollars – 84000 b. EURO - 7327	4582420.00
7.	Capital Goods	a. US Dollars – 393269 b. EURO – 24995.25	24114206.00 1854273.00	a. US Dollars – 1130522.50	62047750.00
8.	Raw Material	US Dollars –25769116.86	1575967425.00	a. US Dollars – 19639359.94	1073392856.00
9.	Reach Registration Fees	EURO – 252831	18114472.82	-	
10.	Lease Rent	US Dollars – 10010	606235.08	-	
11.	Interest Paid on PCFC	US Dollars – 3232.02	201596.00	-	

FORM A
Form of Disclosure of particulars with respect to Consumption of Energy

SL. No.	Particulars	Current Year	Previous Year
A	POWER AND FUEL		
1	Electricity		
	a) Purchased Units	17553715	14183765
	Total Amount of Rupees	117358297	99495934
	Average rate per unit Rupees	6.69	7.01
	b) Own Generation		
	I. Through Diesel Generator		
	Units	508698	605664
	Total amount Rupees	15300803	14489317
	Average rate per unit Rupees	30.08	23.92
	II. Through Steam Turbine Units	5524400	5477300
	Total amount Rupees	20980841	17822010
	Average rate per unit Rupees	3.80	3.25
2	Coal		
	Coaking Coal for Boiler (MT)	92109.08	89078.440
	Total Cost Rupees	490705331	413823898
	Average rate per MT	5327.44	4645.61
3	Furnace Oil	0	0
4	Other		
	Fire Wood		
	Quantity (MT)	0.00	24.340
	Total Cost Rupees	0	85190.00
	Average rate per MT	0.00	3500.00
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	I. Total Production (MT)		
	a) Speciality Chemicals, Aliphatic Amines & Derivatives	79059.743	65807.002
	II. Electricity (KWH)	298.34	307.97
	III. Furnace Oil (Liters)	0	0

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 center.

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

Over the last decade, India has emerged as one of the world leaders in the discovery, development and manufacture of pharmaceuticals, chemicals and speciality products. Balaji Amines Limited is among the frontrunners in this impressive growth story, providing high-quality inputs to a host of well-known global brands. Through a series of sustained and systematic process refinements in its indigenous facilities, Balaji Amines Limited has been consistently adding capacities to meet the ever-growing demand for its world-class products, from both the domestic and overseas markets.

Continuing to place a high premium on excellence in production, the company is expanding by setting up a new pilot plant for development of new processes.

Balaji Amines Limited looks to work on these strengths further and – with continued emphasis on R&D – diversify into newer products with high growth potential, with particular emphasis on overseas markets. This strategy will offset possible external turbulences like downturn in market demand, escalation in raw material prices and changes in regulatory frameworks for the company, which has been accorded 'Star Export House' status by the Ministry of Commerce, Government of India. The company has obtained registration for its products in Europe under the 'REACH' (Registration, Evaluation, Authorization and Restriction of Chemicals) procedure.

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:

A) Manufacturing of Aliphatic Amines

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.

The emergence of a star Hotel in any of the cities results into an invitation not only for the present development and growth but also helps in the development and growth of the other related and ancillary business units in the future. And the company takes pride in establishing the only 5 Star hotel in Solapur during the year.

B) Hotel Industry Outlook:

Solapur is in the radar of developmental hub. After Mumbai, Pune, Nasik, Solapur is the next destination for the development of industries.

Considering the fact of growing Solapur the Board of Directors have considered to come up with 5 star Property in Solapur.

The new industries like Thermax, some of cement manufacturing plants, NTPC & Power Grid Corporation of India will definitely boost our hotel business.

The city of Solapur is surrounded by famous pilgrim centers like Akkalkot, Tuljapur, Pandhapur, and are visited by national and international devotees. The lack of required facilities for these devotees was a major concern.

Balaji Sarovar is planning to offer packages for those pilgrim centers to attract more visitors. The Hotel has tied up with various travel and tourism agencies to attract the travelers/devotees through its attractive website and marketing tools like facebook and twitter.

FINANCIAL PERFORMANCE:

The financial statements are prepared in compliance with the new provisions of Companies act 2013 and corresponding provisions of the Companies Act 1956 as per the circular of Ministry, 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 & 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.
- All the measures are expected offset any impending threats.

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 program 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 & 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 MILITATIONS

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.

REPORT ON 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 standards 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. Four (4) Board meetings were held during the Financial Year 2013-14 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
146	11.05.2013
147	25.07.2013
148	14.11.2013
149	29.01.2014

- 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 Meetings attended	Attended AGM held on 30.7.2013	No. of Other Directorships Held	Memberships/ Chairmanships held in Committees of other Companies	
Shri A. Prathap Reddy Chairman & Managing Director DIN 00003967	Executive Director	4	Yes	3	-	-
Shri N. Rajeshwar Reddy Joint Managing Director DIN 00003854	Executive Director	Nil	Yes	2	-	-
Shri D Ram Reddy Joint Managing Director DIN 00003854	Executive Director	Nil	Yes	9	-	-
Shri G. Hemanth Reddy Whole Time Director DIN 00003868	Executive Director	4	Yes	2	-	-
Shri A. Srinivas Reddy Whole Time Director DIN 03169721	Executive Director	1	Yes	2	-	-
Shri T. Naveena Chandra Independent Director DIN 00231636	Independent Non- Executive Director	4	No	4	-	-
Shri S. V. Pattabhiraman Independent Director DIN 00195247	Independent Non- Executive Director	4	No	2	-	-
Shri. M. Amarender Reddy Independent Director DIN 05182741	Independent Non- Executive Director	4	No	--	--	--
Shri. C. S. N. Murthy Independent Director DIN 00142138	Independent Non- Executive Director	2	No	1	--	--
Shri Kashinath R. Dhole Independent Director DIN 02361937	Independent Non- Executive Director	1	Yes	3	-	-

C. BOARD COMMITTEES

1. Audit Committee

The Audit Committee functions according to the powers, scope and role as defined in the provisions of the Companies Act, 2013, the Listing Agreement and any other applicable laws. The Audit Committee consists 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 11-05-2013, 25-07-2013, 14-11-2013 and 29-01-2014.

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. Amarender Reddy	Member	Independent, Non-Executive	Ex-Banker	4
S. V. Pattabhiraman	Member	Independent, Non-Executive	Ex-Banker	4
C. S. N. Murthy	Member	Independent, Non-Executive	Management Consultant	2

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 Shri. A. Prathap Reddy (Chairman & Managing Director) and Shri. G. Hemanth Reddy (WTD). 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

1. To provide direction and to oversee the operations of the audit functions of the Company.
2. To review the internal control and audit systems with special emphasis on their quality and effectiveness.
3. To review Quarterly, Half yearly and annual financial results before submission to the Board.
4. To investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred by the Board.
5. To have full access to information contained in the records of the Company and external advice, if necessary.
6. 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, 2013 corresponding Sections under Companies Act 1956, Listing Agreement or any other applicable law.

2. Nomination and 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
Shri. S. V. Pattabhiraman	Independent, Non-Executive	Chairman
Shri. T. Naveena Chandra	Independent, Non Executive	Member
Shri. M. Amarender Reddy	Independent, Non Executive	Member

Details of remunerations paid/payable to directors for the year ended 31st March, 2014 is as under:

a) Independent, Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)	Total
Shri. S.V. Pattabhiraman	22000	22000
Shri. T. Naveena Chandra	22000	22000
Shri. M. Amarender Reddy	22000	22000
Shri. C.S.N. Murthy	15000	15000
Shri. Kashinath R. Dhole	5000	5000

Apart from the sitting fees, there were no other pecuniary relationships or transactions of the Non-Executive Independent Directors vis-à-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.)
Shri. A. Prathap Reddy	4218000	20373152	Nil	Nil	24591152
Shri. N. Rajeshwar Reddy	3288000	6548461	Nil	Nil	9836461
Shri. D. Ram Reddy	3288000	6548461	Nil	Nil	9836461
Shri. G. Hemanth Reddy	3396000	1522230	Nil	Nil	4918230
Shri. A. Srinivas Reddy	1464846	Nil	Nil	Nil	1464846

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, 2014

Name of the Director	Designation	Number of Shares held
Shri. A. Prathap Reddy	Chairman & Managing Director	49,07,048
Shri. N. Rajeshwar Reddy	Whole Time Director	5,94,895
Shri. D. Ram Reddy	Whole Time Director	4,66,905
Shri. G. Hemanth Reddy	Whole Time Director	7,05,020
Shri. A. Srinivas Reddy	Whole Time Director	16,50,811
Shri. M. Amarender Reddy	Independent Director	-
Shri. S. V. Pattabhiraman	Independent Director	50
Shri. T. Naveena Chandra	Independent Director	50
Shri. C.S.N. Murthy	Independent Director	2000
Shri. Kashinath R Dhole	Independent Director	-

3. Corporate Social Responsibility Committee

According to Sec.135 of The Companies Act 2013, our Company requires to constitute a Corporate Social Responsibility Committee and also a Corporate Social Responsibility Policy to be in place so as to ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, for the betterment of the society as a whole.

The Board has accordingly constituted Corporate Social Responsibility Committee and laid down the policy guidelines at its board meeting held on 28th July, 2014.

Terms of reference

The Committee shall take up CSR activities as per the policy laid down by the board.

The Committee shall oversee and monitor the spending of the CSR amount and implementation of the CSR activities undertaken. The committee shall ensure adequate publicity in the local press to spread awareness among the people to maximize the reach of the social benefits initiated under CSR policy to the concern beneficiaries.

The committee may report to the board, the status of each activity undertaken, utilization of ear marked funds, and place before the board photographs of the works undertaken, the press clippings etc. periodically atleast once in six months.

Composition

Name	Designation	Status
Shri. Kashinath R. Dhole	Chairman	Independent Director
Shri. N. Rajeshwar Reddy	Member	Joint Managing Director
Shri. D. Ram Reddy	Member	Joint Managing Director

4. Stake Holder's Relationship Committee

Pursuant to Section 178(5) of the Act the Company renamed the erstwhile Shareholder's/Investor's Redressal Committee as the Stakeholder's relationship committee with effect from July 28, 2014. The Committee comprises of two Whole Time Directors and one Independent Director.

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
Shri. M. Amarender Reddy	Chairman	Non- Executive Independent Director
Shri. A. Prathap Reddy	Member	Chairman & Managing Director
Shri. 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	2	2	0
3	Loss of Share certificate	-	-	0
4	Bank Mandate	-	-	0
5	Non Receipt of Dividend Warrant	6	6	0
6	Revalidation of Dividend	23	23	0
8	Miscellaneous	-	-	0
9	Non receipt of Bonus	-	-	0
	Total	31	31	0

5. 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 R&D plans for identifying the new products, improving the processes etc. to optimize the utilization of all the resources.

Composition

Name	Designation	Status
Shri. A. Prathap Reddy	Chairman	Chairman & Managing Director
Shri. N. Rajeshwar Reddy	Member	Joint Managing Director
Shri. 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
Shri. A. Prathap Reddy	Shri. A. Prathap Reddy
Shri. N. Rajeshwar Reddy	Shri. N. Rajeshwar Reddy
Shri. A. Srinivas Reddy	Shri. A. Srinivas Reddy
Shri. P. B. Choudhury	Dr. Shyam Rao

GENERAL BODY MEETING

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

Year	AGM	Venue	Day & Date	Time
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.
2012-2013	25 TH AGM	Registered Office : Balaji Towers, 9/1A/1, Aasara chowk, Hotgi road, Solapur – 413224	Monday, 30 th September, 2013	11.30 A.M.

Special Resolutions passed in the previous 3 AGMS

AGM	SPECIAL RESOLUTION (S) PASSED
23 rd AGM held on 28 th July, 2011	NIL
24 th AGM held on 28 th July, 2012	1. To regularize the appointment of Shri. M. Amarender Reddy from Additional Director to an Independent Director 2. To regularize the appointment of Shri. C.S.N. Murthy from Additional Director to Independent Director
25 th AGM held on 30 th September, 2013	1. To reappoint Shri. A. Prathap Reddy as Chairman & Managing Director and fix his remuneration. 2. To reappoint Shri. N. Rajeshwar Reddy as Whole Time Director and subsequently re designated as Joint Managing Director and fix his remuneration. 3. To reappoint Shri. D. Ram Reddy as as Whole Time Director and subsequently re designated as Joint Managing Director and fix his remuneration. 4. To reappoint Shri. G. Hemanth Reddy as Whole Time Director and fix his remuneration. 5. To regularize the appointment of Shri. A. Srinivas Reddy from Additional Director to Whole Time Director 6. To regularize the appointment of Shri. Kashinath R. Dhole from Additional Director to Independent Director. 7. Increase in borrowing powers pursuant to section 293 (1)(d) of the Companies Act, 1956 upto Rs. 1000 crore.

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 the 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 Nomination and Remuneration Committee has been formed to evaluate remuneration packages for directors and senior staff members.
- d) C.E.O. / CFO Certification
 Shri. A. Prathap Reddy, the Chairman & Managing Director and Shri. 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 07th May 2014.

F. MEANS OF COMMUNICATIONS

- a) The Quarterly results are published in Business Standard (in English) and Lokmat Times and DainikPudhari, Sakal, Tarun Bharat, PunyaNagari, Sanchar (in regional language) dailies.
- b) 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.
- c) 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.
- d) All material information about the Company is promptly sent through facsimile and mail to the Stock Exchanges where the Company's shares are listed and the same are displayed on the Company's website.
- a) 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) 26th Annual General Meeting

Date and Time	29 th September, 2014 at 11:30 a.m.
Venue	Balaji Towers, No. 9/1A/1, Hotgi Road, Aasara Chowk , Solapur-413224

b) Tentative Financial Calendar for the Year 2014-2015

Financial Year	1 st April to 31 st March
First Quarter Results	Fourth week of July, 2014
Half Yearly Results	Fourth week of October, 2014
Third Quarter Results	Fourth week of January, 2015
Results for year end	Fourth week of April, 2015 or first week of May – 2015.

c) Date of Book Closure

24-09-2014 to 29-09-2014 (both days inclusive)

d) Dividend Payment Date

The proposed dividend, if approved at the ensuing AGM on 29-09-2014 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 2014-2015 to both the above stock exchanges.

f) Market Price Data

The closing market price of the equity shares as on 31st March, 2014, being the last trading day for the year 2013-14, was Rs. 40.25/- on NSE and Rs. 39.95/- on BSE.

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

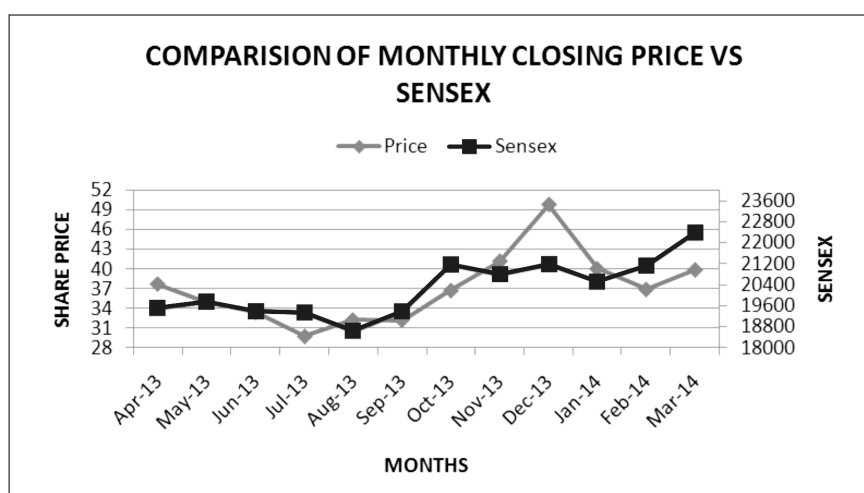
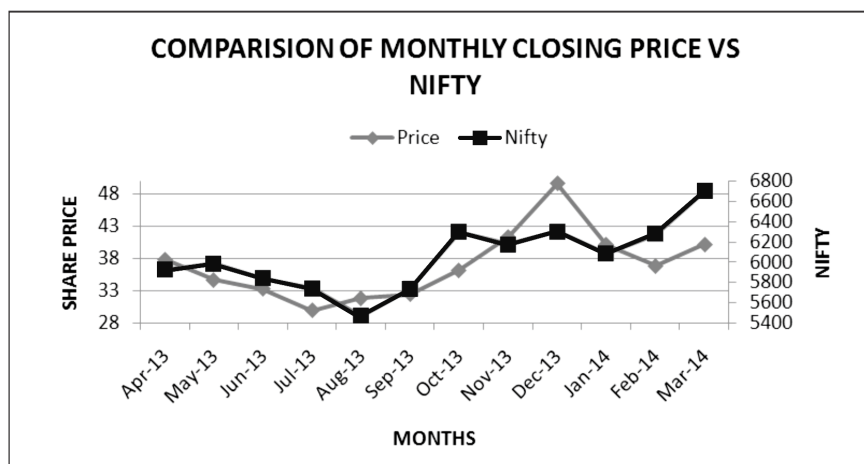
National Stock Exchange Data

Date	Open	High	Low	Close
Mar-14	36.90	44.00	35.75	40.25
Feb-14	39.95	40.25	33.80	36.90
Jan-14	49.70	54.45	37.10	40.15
Dec-13	47.40	54.80	45.00	49.70
Nov-13	37.50	44.50	35.10	41.40
Oct-13	32.00	38.10	31.00	36.20
Sep-13	38.25	41.00	31.10	32.45
Aug-13	30.90	35.40	28.05	31.90
Jul-13	33.75	35.65	28.15	29.95
Jun-13	34.00	40.05	30.60	33.25
May-13	37.50	39.70	34.50	34.70
Apr-13	36.05	41.75	35.20	37.90

Bombay Stock Exchange data

Date	Open	High	Low	Close
Mar-14	37.15	43.50	35.75	39.95
Feb-14	39.55	40.50	35.10	36.95
Jan-14	49.50	53.90	38.00	40.10
Dec-13	45.00	54.80	45.00	49.80
Nov-13	37.00	45.70	35.00	41.15
Oct-13	32.95	37.90	31.60	36.75
Sep-13	34.00	41.00	31.95	32.15
Aug-13	31.05	35.40	28.40	32.30
Jul-13	34.00	35.50	28.80	29.80
Jun-13	35.50	37.25	31.25	33.45
May-13	37.50	40.60	34.50	35.00
Apr-13	38.90	41.00	36.10	40.95

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



**g) Registrar and Share Transfer Agents:
Venture Capital and Corporate Investments Private Limited.**

(CATEGORY-I REGISTRARS)
12-10-167, Bharatnagar, Hyderabad-500018
Ph : 040-23818475/476; Fax: 040-23868024;
email: info@vccilindia.com

h) 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.

I) Distribution of Shareholding as on 31st March, 2014

Shares	Holders		Shares	
	Number	% To Total	No. Of Shares	% To Total
Upto - 500	3764	67.3	709600	2.19
501 - 1000	784	14.02	694470	2.14
1001 - 2000	378	6.76	621441	1.92
2001 - 3000	166	2.97	423479	1.31
3001 - 4000	78	1.39	280001	0.86
4001 - 5000	137	2.45	667318	2.06
5001 - 10000	134	2.4	1011310	3.12
10001 and above	152	2.72	27993381	86.4
Total	5593	100	32401000	100

j) Dematerialization

97.92 % of the Company's paid-up equity share capital has been dematerialized as on 31st March, 2014. The Equity shares of the Company are traded compulsorily in dematerialized segment in all the stock exchanges and is under rolling settlement. The demat security code (ISIN) of the equity shares is INE050E01027.

k) Plant Location

Unit 1	Unit 2	Unit 3	Hotel Division
Tamalwadi Village, Tuljapur Taluka, Osmanabad District, Osmanabad - 413623. Maharashtra.	Plot No 4 & 5 Beside APSEB Sub-Station 2, IDA Bollaram, Medak – 502325. Telangana.	Plot No E-7 & 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) Company Secretary & Compliance Officer

Arati Shankar Dudhawale
 Company Secretary & Compliance Officer
 Balaji Amines Limited.
 CIN : L24132MH1988PLC049387
 Balaji Towers, No. 9/1A/1, Hotgi Road,
 Aasara Chowk, 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 & Managing Director and 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 2013 -2014 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 2013-2014, 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 2013-14
 - (ii) significant changes in accounting policies during the year 2013 - 2014 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.

A. Prathap Reddy
Chairman & Managing Director

G. Hemanth Reddy
Whole Time Director

Place : Secunderabad

Date : 07.05.2014

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, 2014 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 1(A) of Clause 49 of the Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2014, 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 : 07th May, 2014.

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 March 31, 2014 as envisaged in the clause 49 of the listing agreement with stock exchange

Solapur
Date : 28/07/2014

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 31st March 2014, 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 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, 2014;
- (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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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: 006206S

Vemulapati Sridhar

Proprietor

ICAI Memb.No:202337

Secunderabad, May 07, 2014

Re: **Balaji Amines Limited**, Year ended March 31, 2014.

Annexure to Auditor's Report

Referred to in paragraph 1 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. 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.
- (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. 006206S

Vemulapati Sridhar

Proprietor

Membership No. 202337

Secunderabad May 07, 2014.

BALANCE SHEET AS AT MARCH 31, 2014

Rupees

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	6,48,02,000	6,48,02,000
(b) Reserves and surplus	3	195,76,02,105	166,00,33,375
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non - current liabilities			
(a) Long - term borrowings	4	85,95,47,621	103,72,45,638
(b) Deferred tax liabilities (Net)	5	42,43,51,437	39,82,12,143
(c) Other Long term liabilities	6	5,04,14,436	5,85,45,820
(d) Long - term provisions			
(4) Current liabilities			
(a) Short - term borrowings	7	139,45,99,646	105,58,05,327
(b) Trade payables	8	86,97,14,558	35,50,67,597
(c) Other current liabilities	9	41,51,67,094	36,33,78,233
(d) Short - term provisions	10	17,73,22,536	21,14,24,424
Total Equity and Liabilities		621,35,21,433	520,45,14,557
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	325,07,64,665	234,05,11,175
(ii) Intangible assets		-	-
(iii) Capital work -in -progress	12	8,11,78,670	62,92,27,290
(iv) Intangible assets under development		-	-
(b) Non - current investments	13	71,28,200	71,28,200
(c) Deferred tax assets (Net)		-	-
(d) Long term loans and advances	14	74,31,313	75,35,813
(e) Other non - current assets	15	2,27,58,859	2,05,22,504
(2) Current assets			
(a) Current investments	16	19,94,00,000	19,94,00,000
(b) Inventories	17	90,63,49,936	56,75,20,409
(c) Trade receivables	18	131,52,61,560	103,71,34,616
(d) Cash and cash equivalents	19	9,74,39,177	2,67,70,556
(e) Short - term loans and advances	20	32,58,09,053	36,87,63,994
(f) Other current assets		-	-
Total Assets		621,35,21,433	520,45,14,557
ACCOUNTING POLICIES AND OTHER INFORMATION	1		

As per our report of even date

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

For and on behalf of the Board of Directors

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholetime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Rupees

Sl. No	Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
I	Revenue from operations	21	610,12,63,059	511,79,59,779
II	Other income	22	2,60,26,225	3,71,03,738
III	Total Revenue (I +II)		612,72,89,284	515,50,63,517
IV	Expenses:			
	Cost of materials consumed	23	403,42,25,195	287,17,20,168
	Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	-22,45,05,879	25,03,05,861
	Employee benefit expenses	25	15,84,47,836	12,90,06,216
	Finance costs	26	31,51,04,492	25,40,12,193
	Depreciation	11	16,46,49,136	12,68,78,609
	Other expenses	27	122,29,37,420	106,47,68,329
	Total Expenses		567,08,58,200	469,66,91,376
V	Profit before exceptional and extraordinary items and tax (III-IV)		45,64,31,084	45,83,72,141
VI	Exceptional items (Previous year - Excess provision of Income Tax written back)		0	11,87,866
VII	Profit before extraordinary items and tax (V + VI)		45,64,31,084	45,95,60,007
VIII	Extraordinary items		0	0
IX	Profit before tax (VII - VIII)		45,64,31,084	45,95,60,007
X	Tax expense:			
	(1) Current tax		9,50,65,000	11,56,00,000
	(2) Deferred tax		2,61,39,293	3,21,24,573
XI	Profit(Loss) from the period from continuing operations (IX-X)		33,52,26,791	31,18,35,434
XII	Profit/(Loss) from discontinuing operations		0	0
XIII	Tax expense of discounting operations		0	0
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
XV	Profit/(Loss) for the period (XI + XIV)		33,52,26,791	31,18,35,434
XVI	Earning per equity share: (Profit for the period / No. of equity shares)			
	(1) Basic		10.35	9.62
	(2) Diluted		10.35	9.62
	ACCOUNTING POLICIES AND OTHER INFORMATION	1		

 As per our report of even date
 For V. Sridhar & Co.,
 Chartered Accountants,
 FRN No.006206S

For and on behalf of the Board of Directors

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholetime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR 2013-2014

(Rupees in Lakhs)

Particulars	Current Year 2013-14	Previous Year 2012-13
A. Cash flows from operating activities		
Profit before interest and tax	7715.36	7135.72
Exceptional Items	0.00	-11.88
Other income considered	-260.26	-371.04
Depreciation	1646.49	1268.79
Non Cash Charges (Loss on Sale of Asset)	0.00	13.62
Increase in Current Liabilities	8948.29	732.78
Increase (-)/ Decrease (+) in Inventories	-3388.30	5065.25
Increase in Debtors	-2781.27	-2014.58
Increase in Other Current Assets, Loans & Advances	408.23	-935.35
Less : Income tax including dividend distribution tax	-1224.34	-1443.18
Cash flow from Operating Activities	11064.20	9440.13
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-5302.20	-8986.59
Sale of Fixed Asset	33.66	36.92
Long term investments made	0.00	0.00
Other Income	260.26	371.04
Cash flow from Investing Activities	-5008.28	-8578.63
C. Cash Flow from Financing Activities		
Secured loans	-1776.98	1757.71
Interest paid	-3151.04	-2540.12
Dividend	-421.21	-259.21
Cash Flow from Financing Activities	-5349.24	-1041.62
Net increase/(decrease) in cash and cash equivalents (A+B+C)	706.69	-180.11
Cash and cash equivalents (beginning of the year)	267.71	447.82
Cash and cash equivalents (end of the year)	974.39	267.71
Increase in cash and cash equivalents (closing minus opening balances)	706.69	-180.11

As per our report of even date

For and on behalf of the Board of Directors

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

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholetime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

Note 1. 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 relevant and notified by the Central Government.
- iii. The 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 sale is inclusive of Excise Duty and is net of Value Added Tax / Sales Tax.
- ii. Income from guest accommodation in respect of hotel division is recognized on day to day basis after the guests checks-in. Discounts if any in this regard are accounted upon final conclusion of the bill with the guests. Any advance received in respect of the same is treated as a liability pending finalization of bill / provision of services and income from sale of Food & Beverages is recognized at the point of serving of these items to the guests. The income stated is exclusive of Sales Tax, Luxury Tax and Service Tax.
- iii. 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.

The interest during construction period, indirect project expenditure and trial run expenditure (net of trial run income) incurred till the date of declaration of commercial operations in respect of hotel division are capitalized pro-rata to the building and plant & machinery of hotel division. 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:

- a) 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.
- b) Stock in process/plant is valued at cost.
- c) 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.
- d) Food & Beverages :
 1. Groceries : Groceries is valued at cost arrived at on weighted average basis.
 2. Beverages : Valued at cost.

(F) Staff Benefits :

- a. Provident Fund Contributions are accounted on accrual basis.
- b. 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. Borrowing costs relating to period after the commencement of operations of the project are charged to revenue.

(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 :

During the year the company started commercial operations in respect of its hotel division at Solapur, Maharashtra. Accordingly the company now operates in two segments viz., Amines & Speciality Chemicals segment and Hotel segment.

The segment results are as under:

Sl.No.	Particulars	Amines Segment	Hotel Segment	Total
1.	Gross revenue	606.18	3.95	610.13
2.	Segment expenses	512.74	3.77	516.51
3.	Profit before interest, depreciation and tax	93.44	0.18	93.62
4.	Segment Profit/Loss (-) before tax	48.85	-3.20	45.64
5.	Tax Expenses	12.12	-	12.12
6.	Profit /Loss (-) after tax	36.73	-3.20	33.52

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.1.82 crores for the assessment years 2007-08, 2008-09 & 2009-10). The Company has preferred an appeal against the demand and the penalty. The amounts paid against the disputed demand Rs. 1.11 Crores are included in Short term Loans & Advances pending outcome of the appellate proceedings. The appeal against the assessment is presently before the Hon'ble Income Tax Appellate Tribunal, Pune and the matter relating to penalty is pending before the Hon'ble Commissioner of Income Tax (Appeals)-III, Pune.

C. Related Party transactions:

Name of the related party	Relationship	Nature of Transaction	Transaction value	Balance outstanding - Receivable / (-) Payable as on date of Balance Sheet	Amount written off / back
Bhagyanagar Chemicals Limited	A Subsidiary company	a. Lease rentals b. Loan given	a. Rs. 1,20,000/- b. Rs.75,35,813/-	a. (-) Rs. Nil b. Rs.74,31,313/-	Nil
Balaji Greentech Products Limited	Company in which the Enterprise is substantially interested, by holding 66% of shares in the total paid up share capital.	a. Purchases	a. Rs. 1,42,517/-	a. Rs.(-) 23,508/-	Nil
A. Prathap Reddy	Chairman & Managing Director	a. Loan taken b. Interest paid	a. Rs.1,50,00,000/- b. Rs. 4,19,356/-	(-) 1,53,77,420/-	Nil
N. Rajeshwar Reddy	Joint Managing Director	a. Loan taken b. Interest paid	a. Rs. 52,00,000/- b. Rs. 1,39,785/-	(-) 53,30,839/-	Nil
D. Ram Reddy	Joint Managing Director	a. Loan taken b. Interest paid	a. Rs. 50,00,000/- b. Rs. 1,45,376/-	(-) 51,25,806/-	Nil
KPR House / Family Trust	A co ownership in which Directors and their relatives are interested	Office rent	Rs.5,58,000/-	Nil	Nil
Balaji Sourcings Pvt.Ltd.	A Company in which Directors are interested	a. Sales b. Purchase	a. Rs. 6,59,62,653/- b. Rs. 3,39,90,995/-	Rs. (-)5,95,267/-	Nil

D. Additional information pertaining to statement of Profit & Loss :

Current Year				Previous Year	
Sr. No.	Nature of Income / Exposer	Amount In Foreign Currency	Amount In INR	Amount In Foreign Currency	Amount In INR
1.	Export Earnings	a. US Dollars –9990092	601722589.00	a. US Dollars 9057489.77	487854248.00
		b. EURO –10656797	855796398.00	b. EURO – 9332691.60	649352909.00
				c. GBP – 398167.79	34230904.00
				d. JVP – 49244430.00	36648175.00
2.	Sales Commission	US Dollars –75713.76	4582836.00	USD 47583.26	2618752.00
3.	Registration & Renewals	US Dollars –292	16203.00	EURO – 3400	240380.00
4.	Travailing Expenses	US Dollars-15008.64 Euro – 1371.50	940946.00 115897.88	a. US Dollars – 14000 b. EURO - 7327	760500.00 501104.00
5.	Exhibition Charges	a. GBP – 135 b. EURO – 60690.52	12312.00 4863254.00	a. GBP – 125 b. EURO – 60204.43	11425.00 4268054.00
6.	Consultancy Charges	-	-	a. US Dollars – 84000 b. EURO - 7327	4582420.00
7.	Capital Goods	a. US Dollars – 393269 b. EURO – 24995.25	24114206.00 1854273.00	a. US Dollars – 1130522.50	62047750.00
8.	Raw Material	US Dollars –25769116.86	1575967425.00	a. US Dollars – 19639359.94	1073392856.00
9.	Reach Registration Fees	EURO – 252831	18114472.82	-	
10.	Lease Rent	US Dollars – 10010	606235.08	-	
11.	Interest Paid on PCFC	US Dollars – 3232.02	201596.00	-	

Notes forming part of Financial Statements as on 31.03.2014

Particulars	As at March 31, 2014	As at March 31, 2013
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	2	2
d. Number of shares outstanding at beginning the year	3,24,01,000	3,24,01,000
Changes during the year	-	-
Number 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.

f. Particulars of each shareholder holding more than 5% of share capital

Sl. No.	Name of the Share holder	No. of Share		Percentage	
		Current year/Previous year		Current year/Previous year	
1.	Ande Prathap Reddy	4907048	4888050	15.14	15.09
2.	APR Holdings & Investments Private Limited	4756720	4712415	14.68	14.54
3.	Smt. A. Shakunthala Devi	1944450	1944450	6.00	6.00
4.	Ande Srinivas Reddy	1650811	-	5.09	-

g. During the five years immediately preceding the financial year 2013-14, 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.

h. The company has only one class of shares i.e. Equity Shares.

Notes forming part of Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
3. Reserves and surplus		
a) Capital Reserves (representing profit on re-issue of forfeited shares)	6,20,505	6,20,505
b) Share Premium Account	5,69,61,000	5,69,61,000
c) State Subsidy	30,00,000	30,00,000
Total A	6,05,81,505	6,05,81,505
d) General Reserve		
At the beginning of the year	17,91,60,000	14,79,76,000
Add : Transfer from statement of Profit and Loss	3,35,23,000	3,11,84,000
Total B	21,26,83,000	17,91,60,000
e) Balance in Statement of Profit and Loss brought forward from previous year	142,02,91,870	118,85,95,917
Profit for the year	33,52,26,792	31,18,35,434
Less : (i) Transfer to General Reserve	3,35,23,000	3,11,84,000
(ii) Proposed Dividend on Equity Shares for the year	3,24,01,000	2,59,20,800
(iii) Special Dividend (25%) on the occasion of the 25th year of company incorporation	0	1,62,00,500
(iv) Dividend distribution tax	52,57,062	68,34,181
Surplus in Statement of Profit and Loss Total C	168,43,37,600	142,02,91,870
Total Reserves and surplus (A + B + C)	195,76,02,105	166,00,33,375
4. Long-term borrowings		
a. Secured		
Term loans		
(i) State Bank of Hyderabad	43,46,28,000	67,57,16,806
(ii) State Bank of India	13,80,00,000	5,10,00,000
The above two term loans are secured by pari-passu first charge on all fixed assets of the company, both present and future and mortgage by deposit of the land title deeds (except otherwise specifically excluded)		
(iii) Bank of Baroda	1,92,82,753	2,95,11,103
Secured specifically by first charge on land and Wind Electric Generator located at Kas Village, Satara District, Maharashtra		
(iv) Bank of Baroda	24,18,02,803	28,10,17,729
Secured specifically by first charge on land, building and plant & machinery belonging to Hotel Project located at Solapur, Maharashtra		
b. Unsecured		
From Directors		
Ande Prathap Reddy	1,53,77,420	0
Nomula Rajeshwar Reddy	53,30,839	0
Dundarapu Ram Reddy	51,25,806	0
	85,95,47,621	103,72,45,638

The Directors of the company viz., Shri. A. Prathap Reddy, Shri. N. Rajeshwar Reddy, Shri. D. Ram Reddy and Shri. G. Hemanth Reddy have provided personal guarantees in respect of the above loans to the extent mentioned here under;

Sl. No.	Name of the Lender	Aggregate amount No. of gurantee as per sanction letter	Repayment terms	Balance as on 31.03.2014
1.	State Bank of Hyderabad	Rs. 136.00 Crores	7 Year's	Rs. 67.39 Crores
2.	State Bank of India	Rs. 20.00 Crores	7 Year's	Rs. 17.40 Crores
3.	Bank of Baroda	Rs. 33.00 Crores	7 Year's	Rs. 28.56 Crores
4.	Bank of Baroda	Rs. 5.95 Crores	7 Year's	Rs. 2.89 Crores
5. Deferred tax liability				
Beginning of the year relating to the fixed assets			39,82,12,143	36,60,87,570
Add: (i) Timing difference arising during the year on account of depreciation (reversal in current year)			-1,18,75,242	3,21,24,573
(ii) Effect of section 35AD - Deduction in respect of Hotel Division			32,54,57,297	-
Total			71,17,94,198	39,82,12,143
Less: (i) Deferred Tax Assets - effect of carry forward loss			19,23,77,761	-
(ii) MAT Credit Entitlement			9,50,65,000	-
Balance as at March 31, 2014			42,43,51,437	39,82,12,143
6. Other long-term liabilities				
Amines Division			1,68,58,987	5,85,45,820
Hotel Division			3,35,55,449	-
Total			5,04,14,436	5,85,45,820
7. Short-term borrowings				
a. Secured (refer particulars at the end of the Note)				
Towards working capital				
(i) State Bank of Hyderabad			71,85,59,973	51,61,27,392
(ii) State Bank of India			55,25,22,652	39,82,69,735
(iii) ING Vysya Bank			0	9,14,08,200
(iv) HDFC Bank			12,24,15,393	0
(v) Bank of Baroda			11,01,628	0
b. Unsecured				
HDFC BANK			0	5,00,00,000
			139,45,99,646	105,58,05,327

The borrowings towards working capital limits are 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 Directors of the company viz., Shri. A. Prathap Reddy, Shri. N. Rajeshwar Reddy, Shri. D. Ram Reddy and Shri. G. Hemanth Reddy have provided personal guarantees towards the fund based and non-fund based working capital limits availed by the company from the above lenders. The aggregate amount of such gurantees provided are as under ;

Sl. No.	Name of the Bank	Aggregate amount No. of gurantee as per sanction letter	Repayment terms
1.	State Bank of Hyderabad	Rs. 161.00 Crores	On Demand
2.	State Bank of India	Rs. 94.00 Crores	On Demand
3.	HDFC Bank Ltd.	Rs. 43.00 Crores	On Demand
	Total	Rs. 298.00 Crores	

The borrowing from Bank of Baroda - Rs.11.01 lacs represents overdraft availed for the purpose of hotel division against fixed deposit of Rs.20.00 lacs

The unsecured borrowing (Short term corporate loan) from HDFC bank in the previous year - Rs.5,00,00,000/- was supported by two Post Dated Cheques and personal guarantee of the four whole time directors of the company

8. Trade payables		
A) Amines Divisions		
Trade payables	86,44,60,152	35,23,55,385
Others	28,46,690	27,12,212
Total (A)	86,73,06,842	35,50,67,597
B) Hotel division		
Trade payables	24,07,716	-
(Total B)	24,07,716	-
Total (A+B)	86,97,14,558	35,50,67,597
9. Other current liabilities		
A) Amines Division		
Installments of term loans from bank payable in the next 12 months	28,51,89,898	26,05,16,010
Interest accrued & due on term loans paid by 07.04.2014	98,72,410	1,35,13,049
Others	1,84,91,814	1,81,30,498
Duties and taxes (including Excise duty on closing stock of finishing goods - Rs. 4.38 crores)	5,05,28,257	2,40,82,676
(Total A)	36,40,82,379	31,62,42,233
B) Hotel division		
Instalment of Secured Term loan from banks payable within one year.	4,71,36,000	4,71,36,000
Others	30,40,055	-
Duties and taxes	9,08,660	-
(Total B)	5,10,84,715	4,71,36,000
Total (A+B)	41,51,67,094	36,33,78,233
10. Short-term provisions		
A) Amines Division		
Provision for Current Tax	9,50,65,000	11,56,00,000
Dividend on Equity Shares	3,24,01,000	4,21,21,300
Dividend Distribution Tax	52,57,062	68,34,181
Salaries	83,16,466	78,07,920
Remuneration to Directors	3,49,92,304	3,90,61,023
(Total A)	17,60,31,832	21,14,24,424
B) Hotel division		
Salaries	12,90,704	-
(Total B)	12,90,704	-
(Total A+B)	17,73,22,536	21,14,24,424

Notes Forming Part of Financial Statements as at March 31, 2014

11 : Tangible Assets

Rupees

Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 31.03.2013	Additions	Deletion	As at 31.03.2014	For the Period	Deletion	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014
Amines Division									
Land	55740943	700001	0	56440944	0	0	0	55740943	56440944
Unit-I-Tamalwadi	22062693	0	0	22062693	0	0	0	22062693	22062693
Unit-II-Bollaram	657045	0	0	657045	0	0	0	657045	657045
Unit-III-Chincholi	25051673	700001	0	27751674	0	0	0	25051673	25751674
Office - Hotgi Road	7969532		0	7969532	0	0	0	7969532	7969532
Buildings	367663227	7213627	0	374876854	8961023		61338444	315285806	313538410
Unit-I	113150733	0	0	113150733	3779234		0	79572130	75792896
Unit-II	15760241	0	0	15760241	526392		4881787	11404846	10878454
Unit-III	238752253	7213627	0	245965880	4655397		19098820	224308830	226867060
Wind Electric Generator	198347946	0	0	198347946	10472772		0	146072426	135599654
Plant & Machinery	1964937557	47106444	6248672	2005795329	105008487	2883088	573790130	1493272826	1432005199
Unit-I	780558404	1098610	0	781657014	41235818		0	397144287	357007079
Unit-II	62133754	0	6248672	55885082	3280662	2883088	26585791	35945537	29299291
Unit-III	1122245399	46007834	0	1168253233	60492007		0	1060183002	1045698829
Plant & Machinery R & D	303613723	58478	0	303672201	16031061		0	228281706	212309123
Unit-I	159047978	0	0	159047978	8397733		0	113098186	104700453
Unit-II	7341910	0	0	7341910	387653		0	4514663	4127010
Unit-III	137223835	58478	0	137282313	7245675		0	110668857	1034481660
Furniture & Fixtures	18180445	281062	0	18461507	1157412		0	14898895	14022545
Unit-I	15774406	281062	0	16055468	1005113		0	13018730	12294679
Unit-II	129493	0	0	129493	8194		0	79204	71010
Unit-III	2276546	0	0	2276546	144105		0	1800961	16568556
Office Equipment	9378904	614443	0	9993347	545795		0	5082753	5151401
Unit-I	6389682	509664	0	6899346	415187		0	2858978	2953455
Unit-II	2184189	8450	0	2192639	76718		0	1549991	1481723
Unit-III	805033	96329	0	901362	53890		0	673784	716223

Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 31.03.2013	Additions	Deletion	As at 31.03.2014	As at 31.03.2013	For the Period	Deletion	As at 31.03.2014	As at 31.03.2013
Vehicles	29726981	1471429	824158	30374252	9150671	2891920	824158	11218433	20576310
Unit-I	8387344	1471429	0	9858773	5375423	864655	0	6240078	3011921
Unit-II	4520594	0	0	4520594	428914	429456	0	858370	4091980
Unit-III	16819043	0	824158	15994885	3346334	1597809	824158	4119985	13472709
Others	517330196	490767	0	52220963	10106926	2353336	0	12460262	41623270
Unit-I	25405907	7261	0	254513168	7605452	949991	0	8555443	17800455
Unit-II	73582	0	0	73582	32921	4660	0	37581	40661
Unit-III	26250707	483506	0	26734213	2468553	1398685	0	3867238	23782154
Total (A)	2999319922	57936251	7072830	3050183343	678484987	147421806	3707246	822199547	2320834935
Hotel Division - Hotgi Road									
Land	19676241	0	0	19676241				0	19676241
Buildings #	0	564858943	0	564858943		3836334		3836334	0
Plant & Machinery #	0	232229798	0	232229798	0	4596214	0	4596214	0
Furniture & Fixtures		201585192	0	201585192	0	7979414	0	7979414	0
Office Equipment		3174393	0	3174393	0	83725	0	83725	0
Vehicle	0	1164014	0	1164014	0	46076	0	46076	0
Others	0	17319619	0	17319619	0	685568	0	685568	0
Total (B)	19676241	1020331959	0	1040008200	0	17227331	0	17227331	19676241
Total (A+B)	3018996163	1078268210	7072830	4090191543	678484987	164649137	3707246	839426878	2340511176

Pre-operative expenses

a) Interest during construction period

b) Indirect Project expenditure

c) Trial Run expenses

Less : Trial Run Income

65575936
22289248
3506592
Total : 91371776
2996448

Net Amount Capitalized to Building and Plant & Machinery of
Hotel Project on *pro-rata* basis

88375328

Notes forming part of Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
12. Capital work-in-progress		
Amines Division	8,11,78,670	5,49,04,298
Hotel Division	-	57,43,22,992
Total	8,11,78,670	62,92,27,290
13. Non current investments (All unquoted unless otherwise specified)		
In subsidiary 13,00,000 equity shares of Rs. 10/- each fully paid up in Bhagyanagar chemicals ltd. amounting to 100% of the total capital of the company. The investment is valued at cost.	70,78,200	70,78,200
Others 500 equity shares of Rs. 100/- each fully paid up in Solapur janata Sahakari Bank. Valued at cost.	50,000	50,000
Total	71,28,200	71,28,200
14. Long term Loans and Advances		
Loans to Subsidiary - Bhagyanagar Chemicals Ltd.	74,31,313	75,35,813
Total	74,31,313	75,35,813
15. Other Non Current Assets		
A) Amines division		
Deposit with Government Departments	1,66,29,709	1,79,64,478
Others	21,67,940	25,58,026
Total (A)	1,87,97,649	2,05,22,504
B) Hotel division		
Deposit with Government Departments	38,71,210	-
Others	90,000	-
Total (B)	39,61,210	-
Total (A+B)	2,27,58,859	2,05,22,504
16. Current Investments (All unquoted unless otherwise specified)		
Balaji Greentech Products Ltd. 14000000 10% Cumulative Redemable Preference Shares of 10/- each fully paid up representing 100% of the Preference Share Capital issued by the company.	14,00,00,000	14,00,00,000
Balaji Greentech Products Ltd. 5940000 Equity Shares of Rs 10/- Each amounting to 66% of the Share capital of the company. The above investments in Balaji Greentech Products Ltd are held for disposal in the near future.	5,94,00,000	5,94,00,000
Total	19,94,00,000	19,94,00,000
17. Inventories		
A) Amines division [As verified, valued and certified by the Management]		
Raw Material	22,15,09,202	14,55,51,373
Work-in-Process	11,73,59,333	9,08,43,791
Finished Goods	39,87,04,723	20,07,14,386
Goods-in-transit / at Bonded warehouse	5,03,07,125	20,34,087
Stores, Spares & Packing Materials	3,26,93,483	2,56,89,704
Fuel, Others etc.	6,71,88,187	10,26,87,068
Total (A)	88,77,62,053	56,75,20,409

Notes forming part of Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
B) Hotel division		
Housekeeping, kitchen stewarding	1,73,11,964	-
Food & Beverages	12,75,919	-
Total (B)	1,85,87,883	-
Total (A+B)	90,63,49,936	56,75,20,409
18. Trade Receivables (Unsecured and considered good)		
A) Amines division		
Over Six Months	12,26,904	31,41,767
Others	131,33,97,028	103,39,92,849
Total (A)	131,46,23,932	103,71,34,616
B) Hotel division		
Over Six Months	6,37,503	-
Others	-	-
Total (B)	6,37,503	-
Total (A+B)	131,52,61,560	103,71,34,616
19. Cash & Cash Equivalent		
A) Amines division		
Cash in hand	58,633	21,252
Balance with Scheduled Banks		
In Current Accounts	66,89,041	10,87,544
In Margin money	8,78,57,960	2,56,61,760
Total (A)	9,46,05,634	2,67,70,556
B) Hotel division		
Cash in hand	3,58,306	-
Balance with Scheduled Banks		
In Current Accounts	4,75,237	-
Term Deposit Receipt (Secured towards overdraft)	20,00,000	-
Total (B)	28,33,543	-
Total (A+B)	9,74,39,177	2,67,70,556
20. Short-term Loans and Advances		
A) Amines division		
Balance with Revenue Authorities	8,90,04,654	8,84,03,218
Advances Income Tax (Including TDS)	8,55,36,706	10,43,73,414
Advances to Suppliers	2,40,31,213	2,01,65,197
Advance for purchase of flat at Mumbai	1,01,06,829	73,40,200
Prepaid Expenses	1,44,91,578	-
Share application money pending for allotment in Balaji Greentech Products Ltd	5,50,00,000	1,00,00,000
Others - Unsecured, considered good	2,17,87,532	2,21,90,567
Employees' advances	14,40,482	14,78,877
Capital advances recoverable within one year	2,19,48,338	11,48,12,521
Total (A)	32,33,47,332	36,87,63,994
B) Hotel division		
Balance with Revenue Authorities	87,320	-
TDS	32,016	-
Prepaid Expenses	18,75,810	-
Employees advances	27,938	-
Capital advances recoverable within one year	4,38,637	-
Total (B)	24,61,721	-
Total (A+B)	32,58,09,053	36,87,63,994

Notes forming part of Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
21. Revenue From Operation		
A) Amines division		
Sale of Aliphatic Amines, Speciality Chemicals	663,46,68,641	556,33,36,085
Derivatives including Export Benefits	57,28,82,181	44,53,76,306
Less : Excise Duty		
Total (A)	606,17,86,460	511,79,59,779
B) Hotel division		
Rooms, Restaurants, banquets and other services	3,94,76,599	-
Total (B)	3,94,76,599	-
Total Revenue from operations (Net)(A+B)	610,12,63,059	511,79,59,779
22. Other Income		
Income from Wind Electric Generator	1,89,10,793	1,95,65,921
Interest	63,85,915	54,91,440
Misellaneous Income	3,71,133	30,46,377
Profit on Sale of Fixed Assets	3,58,384	90,00,000
Total	2,60,26,225	3,71,03,738
23. Cost of material consumed		
A) Amines division		
Opening Stock	14,55,51,373	42,07,29,803
Add : Purchases		
Raw Material - Domestic	178,95,58,094	138,25,86,908
Raw Material - Imports CIF Value	231,28,05,554	121,39,54,830
Sub -Total	424,79,15,021	301,72,71,541
Less :		
Closing Stock	22,15,09,202	14,55,51,373
Total (A)	402,64,05,819	287,17,20,168
B) Hotel division		
Opening Stock	-	-
Add : Purchases		
Food & Beverages	2,64,07,259	-
Sub -Total	2,64,07,259	
Less		
Closing Stock	1,85,87,883	-
Total (B)	78,19,376	-
Net Total (A+B)	403,42,25,195	287,17,20,168
24. Changes in Inventories of Finished Goods & Work in Process		
Process		
Opening Stock		
Finished Goods	20,07,14,386	43,53,91,001
Work-in-process	9,08,43,791	10,64,73,037
Less :		
Closing Stock		
Sub-Total	29,15,58,177	54,18,64,038
Finished Goods	39,87,04,723	20,07,14,386
Work-in-process	11,73,59,333	9,08,43,791
Sub-Total	51,60,64,056	29,15,58,177
Increase (-) / Decrease (+)	-22,45,05,879	25,03,05,861

Notes forming part of Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
25. Employee benefits expenses		
A) Amines division		
Salaries and other allowances	12,59,68,159	10,90,20,605
Bonus	61,71,542	53,32,331
Gratuity Premium	24,95,109	20,01,535
Provident Fund	71,27,952	55,89,402
Employees State Insurance	2,03,443	1,36,128
Labour Welfare Fund	41,462	38,155
Staff Welfare Expenses	25,00,880	22,06,677
Group Insurance	48,39,806	46,81,383
Total (A)	14,93,48,353	12,90,06,216
B) Hotel Division		
Salaries and other allowances	76,52,857	
Provident Fund	4,52,117	
Employees State Insurance	1,93,354	
Labour Welfare Fund	4,716	
Staff Welfare Expenses	7,62,185	
Group Insurance	34,254	
Total (B)	90,99,483	-
Total (A+B)	15,84,47,836	12,90,06,216
26. Financial cost		
A) Amines division		
Interest on Working Capital	13,65,35,836	13,71,85,229
Interest on term loan	13,10,78,979	10,50,18,635
Processing Charges for Working Capital	98,51,140	30,18,669
Bank Charges	2,10,46,275	87,89,660
Total (A)	29,85,12,230	25,40,12,193
B) Hotel division		
Interest on Overdraft Account (against fixed deposit)	13,537	-
Interest on Term loan	1,63,68,165	-
Bank Charges	2,10,560	-
Total (B)	1,65,92,262	-
Total (A+B)	31,51,04,492	25,40,12,193
27. Other Expenses		
A) Amines division		
a) Manufacturing Expenses		
i) Power and Fuel	62,72,07,186	54,34,37,892
ii) Store, Spares and Packing Material	22,32,91,053	21,52,03,047
iii) Repairs & Maintenance - Plant & Machinery	1,76,27,946	76,63,986
iv) Repairs & Maintenance - Building & Others	42,55,717	6,74,142
v) Insurance to Plant & Machinery	30,48,287	26,84,131

Notes forming part of Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
b) Selling & Distribution Expenses		
i) Advertisement, Publicity & Sales Promotion Expenses	1,21,15,369	1,33,53,292
ii) Discount on Sales	2,54,18,741	2,32,02,804
iii) Freight & Forwarding (Including Ocean Freight)	17,58,81,878	14,24,39,633
iv) Other Selling & Distribution Expenses	3,07,79,771	1,72,47,193
iv) Insurance	35,49,675	27,18,432
c) Administrative & General Expenses		
i) Rent, Rates & Taxes	1,94,49,408	1,45,67,718
ii) Insurance	29,52,242	29,01,104
iii) Salaries & allowances to Directors	1,43,63,039	1,20,01,200
iv) Commission to Directors	3,49,92,304	3,90,61,023
v) Foreign Exchange Fluctuations Loss / (Gain)	-3,66,89,636	-88,82,814
vi) Auditors Remuneration		
a) Audit Fees	14,25,000	11,50,000
b) Tax Audit Fees	3,00,000	2,25,000
c) Tax and Other Matters	3,00,000	2,50,000
vii) Other Expenses	4,19,52,682	3,48,70,546
Total (A)	120,22,20,662	106,47,68,329
B) Hotel division		
i) Power and Fuel	1,08,86,946	-
ii) Store, Spares and Packing Material	11,924	-
iii) Repairs & Maintenance - Plant & Machinery	2,95,204	-
iv) Repairs & Maintenance - Building & Others	2,24,354	-
vi) Banquet Expenses	2,83,917	-
viii) Spa Operating Expenses	3,05,389	-
ix) Laundry expenses	3,76,500	-
x) Advertisement, Publicity & Sales Promotion Expenses	5,91,365	-
xi) Freight & Forwarding	89,737	-
xii) Rent, Rates & Taxes	25,85,671	-
xiii) Insurance	8,134	-
xiv) Other Operating expenses	35,76,981	-
xv) Operator's Management & Incentives Fees	14,80,636	-
Total (B)	2,07,16,758	-
Total (A+B)	122,29,37,420	106,47,68,329

As per our report of even date
 For V. Sridhar & Co.,
 Chartered Accountants,
 FRN No.006206S

For and on behalf of the Board of Directors

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholetime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

AUDITORS' REPORT
(on Consolidated Financial Statements)

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, 2014, 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, 2014 ;
 - 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 SridharProprietor

ICAI Membership No : 202337

Secunderabad. May 07, 2014.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

Rupees

Particulars	Note No.	As at March 31,2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1)Shareholders' funds			
(a) Share capital	2	6,48,02,000	6,48,02,000
(b) Reserves and surplus	3	194,64,09,235	164,89,91,002
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non - current liabilities			
(a) Long - term borrowings	4	85,95,47,621	103,72,45,638
(b) Deferred tax liabilities (Net)	5	42,43,51,437	39,82,12,143
(c) Other Long term liabilities	6	5,04,14,436	5,85,45,820
(d) Long - term provisions		-	-
(4) Current liabilities			
(a) Short - term borrowings	7	139,45,99,646	105,58,05,327
(b) Trade payables	8	86,97,14,558	35,50,67,597
(c) Other current liabilities	9	41,52,00,492	36,33,94,778
(d) Short - term provisions	10	17,73,22,536	21,14,24,424
Total Equity and Liabilities		620,23,61,961	519,34,88,729
II.ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	325,38,56,638	234,38,48,182
(ii) Intangible assets		-	-
(iii) Capital work -in -progress	12	8,11,78,670	62,92,27,290
(iv) Intangible assets under development		-	-
(b) Non - current investments	13	1,50,000	1,50,000
(c) Deferred tax assets (Net)		-	-
(d) Long term loans and advances	14	-	-
(e) Other non -current assets	15	2,27,58,859	2,05,22,504
(2) Current assets			
(a) Current investments	16	19,94,00,000	19,94,00,000
(b) Inventories	17	90,63,49,936	56,75,20,409
(c) Trade receivables	18	131,52,61,560	103,71,34,616
(d) Cash and cash equivalents	19	9,74,51,107	2,67,75,596
(e) Short-term loans and advances	20	32,59,55,192	36,89,10,132
(f) Other current assets		-	-
Total Assets		620,23,61,961	519,34,88,729
ACCOUNTING POLICIES AND OTHER INFORMATION	1		

As per our report of even date

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

For and on behalf of the Board of Directors

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholetime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Rupees

Sl. No	Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
I	Revenue from operations	21	610,12,63,059	511,79,59,779
II	Other income	22	2,60,33,115	3,71,03,738
III	Total Revenue (I + II)		612,72,96,174	515,50,63,517
IV	Expenses:			
	Cost of materials consumed	23	403,42,25,195	287,17,20,168
	Changes in inventories of finished goods, work- in-progress and Stock-in-Trade	24	-22,45,05,879	25,03,05,861
	Employee benefit expenses	25	15,84,47,834	12,90,06,216
	Finance costs	26	31,51,04,492	25,40,12,193
	Depreciation	11	16,48,94,169	12,71,49,037
	Other expenses	27	122,28,49,775	106,46,45,323
	Total Expenses		567,10,15,586	469,68,38,798
V	Profit before exceptional and extraordinary items and tax (III-IV)		45,62,80,588	45,82,24,719
VI	Exceptional items (Previous year - Excess provision of Income Tax written back)		-	11,87,866
VII	Profit before extraordinary items and tax (V + VI)		45,62,80,588	45,94,12,585
VIII	Extraordinary items		-	-
IX	Profit before tax (VII - VIII)		45,62,80,588	45,94,12,585
X	Tax expense:			
	(1) Current tax		9,50,65,000	11,56,00,000
	(2) Deferred tax		2,61,39,293	3,21,24,573
XI	Profit(Loss) from the period from continuing operations (IX-X)		33,50,76,295	31,16,88,012
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)		33,50,76,295	31,16,88,012
XVI	Earning per equity share: (Profit for the period / No. of equity shares)			
	(1) Basic		10.34	9.62
	(2) Diluted		10.34	9.62
	ACCOUNTING POLICIES AND OTHER INFORMATION	1		

As per our report of even date

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

For and on behalf of the Board of Directors

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholetime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2013-2014

Particulars	Current Year 2013-14	Previous Year 2012-13
A. Cash flows from operating activities		
Profit before interest and tax	7713.85	7134.25
Exceptional Items	0.00	-11.88
Other income considered	-260.33	-371.04
Depreciation	1648.94	1271.49
Non Cash Charges (Loss on Sale of Asset)	0.00	13.62
Increase in Current Liabilities	8948.46	731.55
Increase (-)/ Decrease (+) in Inventories	-3388.30	5065.25
Increase in Debtors	-2781.27	-2014.58
Increase in Other Current Assets, Loans & Advances	407.19	-935.35
Less : Income tax including dividend distribution tax	-1224.34	-1443.18
Cash flow from Operating Activities	11064.20	9440.13
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-5302.20	-8986.59
Sale of Fixed Asset	33.66	36.92
Long term investments made	0.00	0.00
Other Income	260.26	371.04
Cash flow from Investing activities	-5008.28	-8578.63
C. Cash Flow from Financing Activities		
Secured loans	-1776.98	1757.71
Interest paid	-3151.04	-2540.12
Dividend	-421.21	-259.21
Cash Flow from Financing Activities	-5349.24	-1041.62
Net increase/(decrease) in cash and cash equivalents (A+B+C)	706.69	-180.11
Cash and cash equivalents (beginning of the year)	267.71	447.82
Cash and cash equivalents (end of the year)	974.39	267.71
Increase in cash and cash equivalents (closing minus opening balances)	706.69	-180.11

As per our report of even date

For and on behalf of the Board of Directors

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

A. Prathap Reddy
 Chairman & Managing Director

G. Hemanth Reddy
 Wholetime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

Note 1. 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 relevant and notified by the Central Government.
- iii. The 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 sale is inclusive of Excise Duty and is net of Value Added Tax / Sales Tax.
- ii. Income from guest accommodation in respect of hotel division is recognized on day to day basis after the guests checks-in. Discounts if any in this regard are accounted upon final conclusion of the bill with the guests. Any advance received in respect of the same is treated as a liability pending finalization of bill / provision of services and income from sale of Food & Beverages is recognized at the point of serving of these items to the guests. The income stated is exclusive of Sales Tax, Luxury Tax and Service Tax.
- iii. 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.

The interest during construction period, indirect project expenditure and trial run expenditure (net of trial run income) incurred till the date of declaration of commercial operations in respect of hotel division are capitalized pro-rata to the building and plant & machinery of hotel division.

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:

- a) 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.
- b) Stock in process/plant is valued at cost.
- c) 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.
- d) Food & Beverages :
 1. Groceries : Groceries is valued at cost arrived at on weighted average basis.
 2. Beverages : Valued at cost.

(F) Staff Benefits :

- a. Provident Fund Contributions are accounted on accrual basis.
- b. 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.

Borrowing costs relating to period after the commencement of operations of the project are charged to revenue.

(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 :

During the year the company started commercial operations in respect of its hotel division at Solapur, Maharashtra. Accordingly the company now operates in two segments viz., Amines & Specialty Chemicals segment and hotel segment.

Sl.No.	Particulars	Amines Segment	Hotel Segment	Total
1.	Gross revenue	606.18	3.95	610.13
2.	Segment expenses	512.74	3.77	516.51
3.	Profit before interest, depreciation and tax	93.44	0.18	93.62
4.	Segment results	36.73	3.20	33.52
5.	Un-allocable expenditure	-	-	-
6.	Profit before tax	48.85	-3.20	45.64

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.1.82 crores for the assessment years 2007-08, 2008-09 & 2009-10). The Company has preferred an appeal against the demand and the penalty. The amounts paid against the disputed demand Rs. 1.11 Crore are included in Short term Loans & Advances pending outcome of the appellate proceedings. The appeal against the assessment is presently before the Hon'ble Income Tax Appellate Tribunal, Pune and the matter relating to penalty is pending before the Hon'ble Commissioner of Income Tax (Appeals)-III, Pune.

Notes forming part of Consolidated Financial Statements as on March 31, 2014

Particulars	As at March 31, 2014	As at March 31, 2013
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	2	2
d. Number of shares outstanding at beginning the year	3,24,01,000	3,24,01,000
Changes during the year	-	-
Number 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 instalment.

f. Particulars of each shareholder holding more than 5% of share capital

Sl. No.	Name of the Share holder	No. of Share		Percentage	
		Current year	Previous year	Current year	Previous year
1.	Ande Prathap Reddy	4907048	4888050	15.14	15.09
2.	APR Holdings & Investments Private Limited	4756720	4712415	14.68	14.54
3.	Smt. A. Shakunthala Devi	1944450	1944450	6.00	6.00
4.	Ande Srinivas Reddy	1650811	-	5.09	-

g. During the five years immediately preceding the financial year 2013-14, 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.

h. The company has only one class of shares i.e. Equity Shares.

3. Reserves and surplus		
a) Capital Reserves (representing profit on re-issue of forfeited shares)	6,20,505	6,20,505
b) Share Premium Account	5,69,61,000	5,69,61,000
c) State Subsidy	30,00,000	30,00,000
Total A	6,05,81,505	6,05,81,505
d) General Reserve At the beginning of the year	17,91,60,000	14,79,76,000
Add : Transfer from statement of Profit and Loss	3,35,23,000	3,11,84,000
Total B	21,26,83,000	17,91,60,000

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
e) Balance in Statement of Profit and Loss brought forward from previous year	140,92,49,497	117,77,00,966
Profit for the year	33,50,76,295	31,16,88,012
Less : (i) Transfer to General Reserve	3,35,23,000	3,11,84,000
(ii) Proposed Dividend on Equity Shares for the year	3,24,01,000	2,59,20,800
(iii) Special Dividend (25%) on the occasion of the 25 th year of company incorporation	-	1,62,00,500
(iv) Dividend distribution tax	52,57,062	68,34,181
Surplus in Statement of Profit and Loss	167,31,44,730	140,92,49,497
Total Reserves and surplus (A+B +C)	194,64,09,235	164,89,91,002
4. Long-term borrowings		
a. Secured		
Term loans		
(i) State Bank of Hyderabad	43,46,28,000	67,57,16,806
(ii) State Bank of India	13,80,00,000	5,10,00,000
The above two term loans are secured by pari-passu first charge on all fixed assets of the company, both present and future and mortgage by deposit of the land title deeds (except otherwise specifically excluded)		
(iii) Bank of Baroda	1,92,82,753	2,95,11,103
Secured specifically by first charge on land and Wind Electric Generator located at Kas Village, Satara District, Maharashtra		
(iv) Bank of Baroda	24,18,02,803	28,10,17,729
Secured specifically by first charge on land, building and plant & machinery belonging to Hotel Project located at Solapur, Maharashtra		
b. Unsecured		
From Directors		
Ande Prathap Reddy	1,53,77,420	-
Nomula Rajeshwar Reddy	53,30,839	-
Dundarapu Ram Reddy	51,25,806	-
	85,95,47,621	103,72,45,638

The Directors of the company viz., Shri. A. Prathap Reddy, Shri. N. Rajeshwar Reddy, Shri. D. Ram Reddy and Shri. G. Hemanth Reddy have provided personal guarantees in respect of the above loans to the extent mentioned here under;

Sl. No.	Name of the Lender	Aggregate amount No. of gurantee as per sanction letter	Repayment terms	Balance as on 31.03.2014
1.	State Bank of Hyderabad	Rs. 136.00 Crores	7 Year's	Rs. 67.39 Crores
2.	State Bank of India	Rs. 20.00 Crores	7 Year's	Rs. 17.40 Crores
3.	Bank of Baroda	Rs. 33.00 Crores	7 Year's	Rs. 28.56 Crores
4.	Bank of Baroda	Rs. 5.95 Crores	7 Year's	Rs. 2.89 Crores

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
5. Deferred tax Liability		
Beginning of the year relating to the fixed assets	39,82,12,143	36,60,87,570
Add : i) Timing difference arising during the year on account of depreciation (reversal in current year)	-1,18,75,242	3,21,24,573
ii) Effect of section 35AD - Deduction in respect of Hotel Division	32,54,57,297	
Total	71,17,94,198	39,82,12,143
Less : i) Deferred Tax Assets - effect of carry forward loss	19,23,77,761	0
ii) MAT Credit Entitlement	9,50,65,000	0
Balance as at March 31, 2014	42,43,51,437	39,82,12,143
6. Other long-term liabilities		
Amines Division	1,68,58,987	5,85,45,820
Hotel Division	3,35,55,449	0
Total	5,04,14,436	5,85,45,820
7. Short-term borrowings		
a. Secured (refer particulars at the end of the Note)		
Towards working capital		
i) State Bank of Hyderabad	71,85,59,973	51,61,27,392
ii) State Bank of India	55,25,22,652	39,82,69,735
iii) ING Vyasya Bank	0	9,14,08,200
iv) HDFC Bank	12,24,15,393	0
v) Bank of Baroda	11,01,628	0
b. Unsecured		
HDFC Bank	0	5,00,00,000
	139,45,99,646	105,58,05,327

The borrowings towards working capital limits are secured by way of hypothecation of stock and book debts and second charge on all fixed assets of the company. (except Hotel Division) both present and future.

The Directors of the company viz., Shri. A. Prathap Reddy, Shri N. Rajeshwar Reddy, Shri D. Ram Reddy and Shri. G. Hement Reddy have provided personal guarantees towards the fund based and non-fund based working capital limits availed by the company from the above lenders. The aggregate amount of such guarantees provided are as under ;

Sl. No.	Name of the Bank	Aggregate amount of Gurantee 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.	HDFC Bank Ltd.	Rs. 43.00 Cr.	on Demand
	Total	Rs. 298.00 Cr.	

The borrowings from Bank of Baroda - Rs.11.01 lacs represents overdraft availed for the purpose of hotel division against fixed deposit of Rs. 20.00 lacs

The unsecured borrowing (Short term corporate loan) from HDFC bank of the previous year - Rs. 5,00,00,000/- was supported by two Post Dated Cheques and personal guarantee of the four whole time directors of the company

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
8. Trade payables		
A) Amines Divisions		
Trade payables	86,44,60,152	35,23,55,385
Others	28,46,690	27,12,212
Total (A)	86,73,06,842	35,50,67,597
B) Hotel division		
Trade payables	24,07,716	0
(Total B)	24,07,716	0
Total (A+B)	86,97,14,558	35,50,67,597
9. Other current liabilities		
A) Amines Division		
Installments of term loans from bank payable in the next 12 months	28,51,89,898	26,05,16,010
Interest accrued & due on term loans paid by 07.04.2014	98,72,410	1,35,13,049
Others	1,85,25,212	1,81,47,043
Duties and taxes (including Excise duty on closing stock of finishing goods - Rs. 4.38 crores)	5,05,28,257	2,40,82,676
(Total A)	36,41,15,777	31,62,58,778
B) Hotel division		
Installment of Secured Term loan from banks payable within one year.	4,71,36,000	4,71,36,000
Others	30,40,055	0
Duties and taxes	9,08,660	0
(Total B)	5,10,84,715	4,71,36,000
Total (A+B)	41,52,00,492	36,33,94,778
Perticulars	As at March 31, 2014	As at March 31, 2013
10. Short-term provisions		
A) Amines Division		
Provision for Current Tax	9,50,65,000	11,56,00,000
Dividend on Equity Shares	3,24,01,000	4,21,21,300
Dividend Distribution Tax	52,57,062	68,34,181
Salaries	83,16,466	78,07,920
Remuneration to Directors	3,49,92,304	3,90,61,023
(Total A)	17,60,31,832	21,14,24,424
B) Hotel division		
Salaries	12,90,704	0
(Total B)	12,90,704	0
(Total A+B)	17,73,22,536	21,14,24,424

Notes Forming Part of Consolidated Financial Statements as at March 31, 2014

11 : Tangible Assets

Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 31.03.2013	Additions	Deletion	As at 31.03.2014	As at 31.03.2013	For the Period	Deletion	As at 31.03.2014	As at 31.03.2013
Amines Division									
Land	56173340	700001	0	56874341	0	0	0	56174340	56874341
Buildings	372227122	7213627	0	379440749	55111480	9052515	0	317115642	315276754
Wind Electric Generator	198347946	0	0	198347946	52275520	10472772	0	146072426	135599654
Plant & Machinery	1980439550	47106444	6248672	2021297322	486122126	105153791	2883088	1494317424	1432904493
Plant & Machinery R & D	303613723	58478	0	303672201	75332017	16031061	0	228281706	212309123
Furniture & Fixtures	18251890	281062	0	18532952	3347029	1158492	0	14904861	14027431
Office Equipment	9417747	614443	0	10032190	4330431	550358	0	5087316	5151401
Vehicles	29726981	1471429	824158	30374252	9150671	2891920	824158	20576310	19155819
Others	52059801	490767	0	52550568	10417885	2355930	0	41641916	39776753
Total (A)	3020259100	57936251	7072830	3071122521	696087159	147666839	3707246	840046752	2324171941
Hotel Division - Hotgi Road									
Land	19676241	0	0	19676241	0	0	0	19676241	19676241
Buildings	0	564858943	0	564858943	0	3836334	0	3836334	0
Wind Electric Generator	0	232229798	0	232229798	0	4596214	0	4596214	0
Plant & Machinery	0	201585192	0	201585192	0	7979414	0	7979414	0
Office Equipment	0	3174393	0	3174393	0	83725	0	83725	0
Vehicles	0	1164014	0	1164014	0	46076	0	46076	0
Others	0	17319619	0	17319619	0	685568	0	685568	0
Total (B)	19676241	1020331959	0	1040008200	0	17227331	0	17227331	19676241
Total (A + B)	3039935341	1078268210	7072830	4111130721	696087159	164894170	3707246	857274083	2343848182

Pre-operative expenses

a) Interest during construction period

b) Indirect Project expenditure

c) Trial Run expenses

Less : Trial Run Income

65575936
22289248
3506592
<u>Total : 91371776</u>
2996448

Net Amount Capitalized to Building and Plant & Machinery of
Hotel Project on *pro-rata* basis

<u>88375328</u>

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
12. Capital work-in-progress		
Amines Division	8,11,78,670	5,49,04,298
Hotel Division	0	57,43,22,992
Total	8,11,78,670	62,92,27,290
13. Non current investments (All unquoted unless otherwise specified)		
1000 Shares of Rs.100/- fully paid up Progressive Effluent Treatment Plant Ltd	1,00,000	1,00,000
Others 500 equity shares of Rs. 100/- each fully paid up in Solapur Janata Sahakari Bank. Valued at cost.	50,000	50,000
Total	1,50,000	1,50,000
14. Long term Loans and Advances	-	-
Total	-	-
15. Other Non Current Assets		
A) Amines division		
Deposit with Government Departments	1,66,29,709	1,79,64,478
Other	21,67,940	25,58,026
Total (A)	1,87,97,649	2,05,22,504
B) Hotel division		
Deposit with Government Departments	38,71,210	-
Others	90,000	-
Total (B)	39,61,210	-
Total (A+B)	2,27,58,859	2,05,22,504
16. Current Investments (All unquoted unless otherwise specified)		
Balaji Greentech Products Ltd. 14000000 10% Cumulative Redemable Preference Shares of 10/- each fully paid up representing 100% of the Preference Share Capital issued by the company.	14,00,00,000	14,00,00,000
Balaji Greentech Products Ltd. 5940000 Equity Shares of Rs 10/- Each amounting to 66% of the Share capital of the company.	5,94,00,000	5,94,00,000
The above investments in Balaji Greentech Products Ltd are held for disposal in the near future.		
Total	19,94,00,000	19,94,00,000
17. Inventories		
A) Amines division		
[As verified, valued and certified by the Management]		
Raw Material	22,15,09,202	14,55,51,373
Work-in-Process	11,73,59,333	9,08,43,791
Finished Goods	39,87,04,723	20,07,14,386
Goods-in-transit / at Bonded warehouse	5,03,07,125	20,34,087
Stores, Spares & Packing Materials	3,26,93,483	2,56,89,704
Fuel, Others etc.	6,71,88,187	10,26,87,068
Total (A)	88,77,62,053	56,75,20,409
B) Hotel division		
Housekeeping, kitchen stewarding	1,73,11,964	-
Food & Beverages	12,75,919	-
Total (B)	1,85,87,883	-
Total (A+B)	90,63,49,936	56,75,20,409

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
18. Trade Receivables (Unsecured and considered good)		
A) Amines division		
Over Six Months	12,26,904	31,41,767
Others	131,33,97,152	103,39,92,849
Total (A)	131,46,24,056	103,71,34,616
B) Hotel division		
Over Six Months	6,37,503	0
Others		
Total (B)	6,37,503	0
Total (A+B)	131,52,61,560	103,71,34,616
19. Cash & Cash Equivalent		
A) Amines division		
Cash in hand	58,633	21,252
Balance with Scheduled Banks		
In Current Accounts	67,00,971	10,92,584
In Margin money	8,78,57,960	2,56,61,760
Total (A)	9,46,17,564	2,67,75,596
B) Hotel division		
Cash in hand	3,58,306	0
Balance with Scheduled Banks		
In Current Accounts	4,75,237	0
Term Deposit Receipt (Secured towards overdraft)	20,00,000	0
Total (B)	28,33,543	0
Total (A+B)	9,74,51,107	2,67,75,596
20. Short-term Loans and Advances		
A) Amines division		
Balance with Revenue Authorities	8,90,04,654	8,84,03,218
Advance Income Tax (Including TDS)	8,55,36,706	10,43,73,414
Advances to Suppliers	2,40,31,213	2,01,65,197
Advance for purchase of flat at Mumbai	1,01,06,829	73,40,200
Prepaid Expenses	1,44,91,578	0
Share application money pending for allotment in Balaji Greentech Products Limited	5,50,00,000	1,00,00,000
Others - Unsecured, considered good	2,19,33,670	2,23,36,705
Employees' advances	14,40,482	14,78,877
Capital advances recoverable within one year	2,19,48,338	11,48,12,521
Total (A)	32,34,93,470	36,89,10,132
B) Hotel division		
Balance with Revenue Authorities	87,320	0
TDS	32,016	0
Prepaid Expenses	18,75,810	0
Employees advances	27,938	0
Capital advances recoverable within one year	4,38,637	0
Total (B)	24,61,722	0
Total (A+B)	32,59,55,192	36,89,10,132

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
21. Revenue From Operation		
A) Amines division		
Sale of Aliphatic Amines, Speciality Chemicals	663,46,68,641	556,33,36,085
Derivatives including Export Benefits	57,28,82,181	44,53,76,306
Less : Excise Duty		
Total (A)	606,17,86,460	511,79,59,799
B) Hotel division		
Rooms, Restaurants, banquets and other services	3,94,76,599	0
Total (B)	3,94,76,599	0
Total Revenue from operations (Net)(A+B)	610,12,63,059	511,79,59,779
22. Other Income		
Income from Wind Electric Generator	1,89,10,793	1,95,65,921
Interest	63,85,915	54,91,440
Miscellaneous Income	3,71,133	30,46,377
Profit on Sale of Fixed Assets	3,58,384	90,00,000
Total	2,60,26,225	3,71,03,738
23. Cost of material consumed		
A) Amines division		
Opening Stock	14,55,51,373	42,07,29,803
Add : Purchases		
Raw Material - Domestic	178,95,58,094	138,25,86,908
Raw Material - Imports CIF Value	231,28,05,554	121,39,54,830
Sub -Total	424,79,15,021	301,72,71,541
Less :		
Closing Stock	22,15,09,202	14,55,51,373
Total (A)	402,64,05,819	287,17,20,168
B) Hotel division		
Opening Stock	0	0
Add : Purchases		
Food & Beverages	2,64,07,259	0
Sub -Total	2,64,07,259	
Less		
Closing Stock	1,85,87,883	0
Total (B)	78,19,376	0
Net Total (A+B)	403,42,25,195	287,17,20,168

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
24. Changes in Inventories of Finished Goods & Work in Process		
Opening 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
Less :		
Closing Stock		
Finished Goods	39,87,04,723	20,07,14,386
Work-in-process	11,73,59,333	9,08,43,791
Sub-Total	51,60,64,056	29,15,58,177
Increase (-) / Decrease (+)	-22,45,05,879	25,03,05,861
25. Employee benefits expenses		
A) Amines division		
Salaries and other allowances	12,59,68,159	10,90,20,605
Bonus	61,71,542	53,32,331
Gratuity Premium	24,95,109	20,01,535
Provident Fund	71,27,952	55,89,402
Employees State Insurance	2,03,443	1,36,128
Labour Welfare Fund	41,462	38,155
Staff Welfare Expenses	25,00,880	22,06,677
Group Insurance	48,39,806	46,81,383
Total (A)	14,93,48,353	12,90,06,216
B) Hotel Division		
Salaries and other allowances	76,52,856	0
Provident Fund	4,52,117	0
Employees State Insurance	1,93,354	0
Labour Welfare Fund	4,716	0
Staff Welfare Expenses	7,62,185	0
Group Insurance	34,254	0
Total (B)	90,99,481	0
Total (A+B)	15,84,47,834	12,90,06,216
26. Financial cost		
A) Amines division		
Interest on Working Capital	13,65,35,836	13,71,85,229
Interest on term loan	13,10,78,979	10,50,18,635
Processing Charges for Working Capital	98,51,140	30,18,669
Bank Charges	2,10,46,275	87,89,699
Total (A)	29,85,12,230	25,40,12,232
B) Hotel division		
Interest on Overdraft Account (against fixed deposit)	13,537	0
Interest on Term loan	1,63,68,165	0
Bank Charges	2,10,560	0
Total (B)	1,65,92,262	0
Total (A+B)	31,51,04,492	25,40,12,232

Notes forming part of Consolidated Financial Statements as on 31.03.2014
Rupees

Particulars	As at March 31, 2014	As at March 31, 2013
27. Other Expenses		
A) Amines division		
a) Manufacturing Expenses		
i) Power and Fuel	62,72,07,186	54,34,37,892
ii) Store, Spares and Packing Material	22,32,91,053	21,52,03,047
iii) Repairs & Maintainance - Plant & Machinery	1,76,27,946	76,63,986
iv) Repairs & Maintainance - Building & Others	42,55,717	6,74,142
v) Insurance to plant & Machinery	30,48,287	26,84,131
b) Selling & Distribution Expenses		
i) Advertisement publicity & Sales Promotion Expenses	1,21,15,369	1,33,53,292
ii) Discount on Sales	2,54,18,741	2,32,02,804
iii) Freight & Forwarding (Including Ocean Freight)	17,58,81,878	14,24,39,633
iv) Other Selling & Distribution Expenses	3,07,79,771	1,72,47,193
v) Insurance	35,49,675	27,18,432
c) Administrative & General Expenses		
i) Rent Rates & Taxes	1,93,29,408	1,44,53,218
ii) Insurance	29,52,242	29,01,104
iii) Salaries & allowances to Directors	1,43,63,039	1,20,01,200
iv) Commission to Directors	3,49,92,304	3,90,61,023
v) Foreign Exchange Fluctuations Loss / (Gain)	-3,66,89,636	-88,82,814
vi) Auditors Remuneration		
a) Audit fees	14,41,854,	11,66,545
b) Tax Audit Fees	3,00,000	2,25,000
c) Tax and Other Matters	3,00,000	2,50,000
viii) Other Expenses	4,19,68,182	3,48,45,495
Total (A)	120,21,33,016	106,46,45,323
B) Hotel division		
i) Power and Fuel	1,08,86,946	0
ii) Store, Spares and Packing Material	11,924	0
iii) Repairs & Maintainance - Plant & Machinery	2,95,204	0
iv) Repairs & Maintainance - Building & Others	2,24,354	0
vi) Banquet Expenses	2,83,917	0
viii) Spa Operating Expenses	3,05,389	0
ix) Laundry Expenses	3,76,500	0
x) Advertisement, Publicity & Promotion Expenses	5,91,365	0
xi) Freight & Forwarding	89,737	0
xii) Rent, Rates & Taxes	25,85,671	0
xiii) Insurance	8,134	0
xiv) Other Operating expenses	35,76,981	0
xv) Operator's Management & Incentives fees	14,80,636	0
Total (B)	2,07,16,759	0
Total (A+B)	122,28,49,775	106,46,45,323

As per our report of even date

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

For and on behalf of the Board of Directors

A. Prathap Reddy
 Chairman & Managing Director

G.Hemanth Reddy
 Wholtime Director

Vemulapati Sridhar
 Proprietor
 ICAI Memb. No. 202337
 Secunderabad May 07, 2014

Arati S. Dudhawale
 Company Secretary

[illegible]



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 _____

(For Shares held in physical form)

DP ID _____

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.





AMINES LIMITED

Annual Report 2013-14

Form No. MGT-11**BALAJI AMINES LIMITED**

CIN : L24132MH1988PLC049387

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

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s) : _____

Registered Address _____

E.Mail Id : _____ Folio No./Client Id : _____

DP ID. _____

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint

1. Name : _____

Address: _____

Email ID: _____ Signature: _____ or failing him

2. Name : _____

Address: _____

Email ID: _____ Signature: _____ or failing him

3. Name : _____

Address : _____

Email ID : _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the 29th September, 2014 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 and at any adjournment thereof in respect of such resolutions as are indicated

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		No. 14	
No. 15			

Signed this _____ day of _____ 2014

Signature of shareholder_____
Signature of Proxy holder(s)

Affix
Re. 1/-
Revenue
Stamp

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed , not less than 48 hours before the time for holding the meeting. and at any adjournment thereof.





BALAJI AMINES LIMITED

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

TWENTY SIXTH 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 26th Annual General Meeting of the Company, being held on Monday, 29th September 2014 at 11.30 a.m. at the Registered Office of the Company.

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



Corporate Social Responsibility activities under taken during the Year 2013 - 14



Water Tank for Khuneshwar Village



Solar Lamp for Mardi Village



Police Station Tamalwadi



Water Tank for Wadgaon (Shi) Village



Water Tank for Dhotri Village



Solar Lamp for Sawargaon Village



AMINES LIMITED

An ISO 9001 : 2008 Company
CIN : L24132MH1988PLC049387

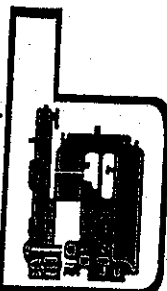
Registered Office

Balaji Towers, No 9/1A/1,
Aasara Chowk, Hotgi Road, Solapur.
Maharashtra - 413 224.

Administrative Office

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





TEL : +91-40-27898206 / 27892071
FAX : +91-40-27816171
E-MAIL : infohyd@balajiamines.com
unit2mktg@balajiamines.com
WEBSITE : www.balajiamines.com

Balaji



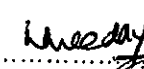
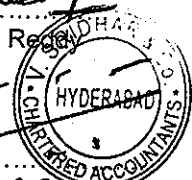
CIN : LZ4132MH1988PLCO49387

AMINES LTD.

Admn. Off :
3rd FLOOR, K.P.R. HOUSE, S.P. ROAD,
SECUNDERABAD - 500 003. (INDIA)

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	BALAJI AMINES Ltd.
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Nil
5.	To be signed by- ☐ Chairman & Managing Director ☐ CFO ☐ Auditor of the company ☐ Audit Committee Chairman	 A Prathap Reddy  G. Hemanth Reddy  For V. Sridhar & Co., Vemulapati Sridhar   T. Naveena Chandra Chairman

Regd. Office : "Balaji Towers", No. 9/1A/1, Hotgi Road, Aasara Chowk, Solapur - 413 003.

■ Fax : (0217) 2451521, Phones : (0217) 2451523, 2451524, E-mail : info@balajiamines.com

Unit II Works : Beside APSEB Sub Station II, IDA, Bollaram - 502 325, Jinnaram Mandal, Medak Dist. (A.P.)

■ Phones : 08458-329660, Telefax : 08458-279240, E-mail : works2@balajiamines.com