



ELEVENTH ANNUAL REPORT 1998-99



Balaji Amines Limited

ELEVENTH ANNUAL REPORT (1998-99)

BOARD OF DIRECTORS

(As on 24.07.1999)

1. SRI. M.R. KRISHNAIAH
CHAIRMAN
2. SRI. A. PRATHAP REDDY
MANAGING DIRECTOR
3. SRI. T. NAVEENA CHANDRA
DIRECTOR
4. SRI. S. VISHNU RAO
DIRECTOR
5. SRI. N. RAJESHWAR REDDY
EXECUTIVE DIRECTOR
6. SRI. D RAM REDDY
COMMERCIAL DIRECTOR

TAX CONSULTANTS

M.V. SASTRY & CO.
ADVOCATES & TAX CONSULTANTS
HYDERABAD

AUDITORS

V. SRIDHAR & CO.
CHARTERED ACCOUNTANTS
HYDERABAD

BANKERS

STATE BANK OF HYDERABAD

STATE BANK OF MYSORE

BANK OF INDIA

REGISTERED OFFICE

"BALAJI BHAVAN", 165-A
RAILWAY LINES,
SOLAPUR - 413 001.

ADMINISTRATIVE OFFICE

IVth FLOOR, KPR HOUSE,
NEAR ANAND THEATRE,
S.P. ROAD
SECUNDERABAD - 500 003.

FACTORY

TAMMALWADI - 413 623 (VILLAGE)
TULJAPUR (TQ)
OSMANABAD (DIST)
MAHARASHTRA.



Balaji Amines Limited

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of Balaji Amines Limited will be held at 11.00 AM. on Thursday, the 30th day of September, 1999 at the Registered Office of the Company, 165-A, 'Balaji Bhavan', Railway lines, Solapur - 413 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended on 31st March, 1999 and the Balance Sheet as at that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint Director in place of Sri. M.R. Krishnaiah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Sri T. Naveena Chandra, who retires by rotation and being eligible offers himself for re-appointment .
4. To appoint Auditors and fix their remuneration and in this connection pass the following resolution as Ordinary Resolution.

"Resolved that M/s. V. Sridhar & Co., Chartered Accountants, Hyderabad, the retiring Auditors of the Company be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of the eleventh Annual General Meeting till the conclusion of the twelfth Annual General Meeting and the Managing Director Sri. A. Prathap Reddy, be and is hereby authorised to fix their remuneration in mutual consultation with them."

SPECIAL BUSINESS

5. To appoint Sri. A. Prathap Reddy as the Management Director of the Company for a period of five years beginning from April 1, 1999 and ending March 31, 2004 and pass the following resolution as Ordinary Resolution.

"Resolved that pursuant to section 198,269,309,311, and other applicable provisions, if any, of the Company Act, 1956, read with and in accordance with the conditions specified in Schedule XIII of the said Act, approval of the Company be and is hereby accorded to appointment of Sri. A. Prathap Reddy as the Managing Director of the Company for a period of five years from April 1, 1999 on the following terms of remuneration.

I. SALARY

The Managing Director shall be entitled to a salary subject to a maximum of Rs.20,000/- per month.

II. PERQUISITES

The Managing Director shall be entitled to perquisites, based on such revised salary, restricted to one annual salary.

PART A.

1. HOUSING

Housing I: The expenditure on hiring unfurnished accommodation will be subject to the following ceilings;

- a. Bombay, Delhi, Calcutta and Madras: Sixty percent of the Salary, over and above ten percent payable by the appointee.
- b. Other places: Fifty percent of salary, over and above ten percent payable by the appointee.



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Explanation: The expenditure on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of ten percent of the salary;

Housing II: In case the appointee is provided accommodation owned by the Company, ten percent of his salary shall be payable by him.

Housing III: In case no accommodation is provided by the Company, the appointees shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I above.

2. MEDICAL REIMBURSEMENT FOR SELF AND FAMILY

Reimbursement of all medical expenses and hospitalization expenses incurred, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

3. LEAVE TRAVEL BENEFIT

The Company will provide Leave Travel benefit once in a year for self and family to and from any place in India.

4. PERSONAL ACCIDENT INSURANCE

The Company will provide a personal accident insurance cover, the premium of which will not exceed Rs.4,000/- per annum.

5. CLUB FEES

The Company will pay the fees of clubs, subject to a maximum of two clubs, admission and life membership fees not being allowed.

Explanation: for the purpose of Part 'A' 'family' means the spouse, dependent children and dependent parents of Sri. A. Prathap Reddy.

PART B

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either single or put together, are not taxable under the Income-tax Act,
2. Gratuity payable shall not exceed half a months' salary for each completed year of service.
3. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

PART C

1. COMPANY'S CAR

A car with driver for use on the business of the Company will be provided by the Company. Use of car for private purposes to be billed by the Company.

2. TELEPHONE AT RESIDENCE

The Company will provide free telephone facility at the residences of the Appointee. Private long distance calls to be billed by the Company.

3. Salaries to servants and payment of charges to private Security Agency.

IV MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial year, during the currency of tenure of office Sri A. Prathap Reddy shall be entitled to the remuneration as stated herein above as minimum remuneration, but subject to upper limit, if any, prescribed under the Companies Act, 1956 from time to time".



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6. To appoint Sri N. Rajeshwar Reddy, as the Executive Director of the Company for the period of Five years beginning April 1, 1999 and ending March 31, 2004 and pass the following resolution as ordinary Resolution.

"Resolved that pursuant to Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII of the said Act, approval of the Company be and is hereby accorded to appointment of Sri. N. Rajeswar Reddy, as the Executive Director of the Company for a period of five years from April 1, 1999 on the following terms of remuneration

Salary: Pay Scale : Rs.6,000 - 500 - 7,000.

Perquisites - Rent free unfurnished accommodation, electricity charges and gas.

In the event of inadequacy or absence of profits in any financial year, during the currency of tenure of office Sri N. Rajeswar Reddy, shall be entitled to the remuneration as stated herein above as minimum remuneration, but subject to upper limit, if any, prescribed under the Companies Act, 1956 from time to time.

7. To appoint Sri D. Ram Reddy, as the Commercial Director (Whole Time Director) of the Company on the following remuneration and that his term of office shall be liable to retirement by rotation.

"Resolved that pursuant to Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII of the said Act, approval of the Company be and is hereby accorded to appointment of Sri. D. Ram Reddy, as the Whole Time Director of the Company, (Whose period of office shall be liable to retirement by rotation) on the following terms of remuneration

Salary: Pay Scale : Rs.6,000 - 500 - 7,000.

Perquisites - Rent free, unfurnished accommodation, electricity charges and gas.

In the event of inadequacy or absence of profits in any financial year, during the currency of tenure of office Sri D. Ram Reddy, shall be entitled to the remuneration as stated herein above as minimum remuneration, but subject to upper limit, if any, prescribed under the Companies Act, 1956 from time to time."

By order of the Board

Sd/-

Ande Prathap Reddy
Managing Director

Place : Hyderabad
Date : 24th July, 1999

Note

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be member of the Company.
- Proxy forms must reach the Company's Registered Office at least 48 hours prior to the time for holding the meeting.
- Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 with respect to the Special Business contained in the notice is annexed hereto.
- The members register and Transfer books of the Company will be closed from 16th September, 1999 to 22nd September, 1999. Both days inclusive.



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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 WITH RESPECT TO ITEMS 5, 6 AND 7 OF THE NOTICE CALLING THE ANNUAL GENERAL MEETING.

Sri A. Prathap Reddy and Sri N. Rajeshwar Reddy, have been the Managing Director and the Executive Director of the Company respectively since the inception of the Company. They have been last re-appointed for a period of five years at the Extraordinary General Meeting of the members held on 24th December, 1994. The period of office of the Managing Director and Executive Director came to an end of March 31, 1999. The Board of Directors at their meeting held on 24th July, 1999 re-appointed them as Managing Director and the Executive Director of the Company respectively for a period of five years beginning April 1, 1999.

The said appointment by the Board of Directors are subject to the approval of the members in General Meeting and hence the resolution are proposed for your approval.

Sri D. Ram Reddy, is a Director on the Board who has been actively looking after the commercial aspects of the Company. The Board of Directors are of the opinion that his services as Whole Time Director of the Company will be of immense value-addition to the management and the Company will benefit therefrom. It is proposed that he be remunerated for his services and hence the proposal of remuneration for your approval.

As regards item No.5 Sri A. Prathap Reddy, being appointee is deemed to be interested in resolution.

As regards item No.6 Sri N. Rajeshwar Reddy, being appointee is deemed to be interested in resolution.

As regards item No.7 Sri D. Ram Reddy, being appointee, is deemed to be interested in the resolution.

No other Director is interested in the said resolutions.



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DIRECTORS' REPORT

To the members of
Balaji Amines Limited, Solapur.

The Directors present the Balance Sheet as at March 31, 1999 and the Profit and Loss account for the year ended on that date, together with the report of the Auditors thereon, with their report on the affairs of the Company for the financial year 1998-99.

PERFORMANCE AND FINANCIAL RESULTS

The performance of the Company for the financial year 1998-99 is as under;

Sl. No.	Particulars	Rupees in lacs	
		Current year	Previous year
I.	Net Turnover	2396.77	1907.63
II.	Other Income	38.39	5.78
III.	Expenditure (Net of prior year adjustments)	1988.08	1549.92
IV.	Profit before interest, depreciation and tax	447.08	363.49
V.	Depreciation	107.82	95.80
VI.	Profit before interest and tax	339.26	267.69
VII.	Interest	255.50	217.23
VIII.	Profit before tax (after prior adjustments)	83.76	50.46
IX.	Provision for Income tax	8.91	5.30
X.	Profit after tax	74.85	45.16

Operations and Prospects

The Directors are pleased to state that the fully expanded plant of the Company is presently operational. The expansion project included mainly Ethyl Amines plant in addition to Derivatives of amines namely Di Methyl Amine Hydro Chloride, Di Methyl Acetamide, etc.

The capacity of Ethyl Amines Plant is being increased by adding a few balancing equipment. These products are high value added products in nature and in view of the increased capacity, the operations in the forthcoming years are expected to be more profitable.

In addition to above the Company has also explored the possibility of enhancing the value output of the plant. To this end the Company was successful in controlling the cost of the inputs. In addition to reduction in input costs the management also expects to increase the outputs in terms of quantity produced.



Balaji Amines Limited

Directors

Sri. M.R.Krishnaiah and Sri. Naveena Chandra Directors on the Board of the Company retire by rotation at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Auditors

Messrs V. Sridhar & Co., Chartered Accountants, Hyderabad, the Auditors of the Company retire at the conclusion of the ensuing annual general meeting and are eligible for reappointment.

Employees

The Board wishes to place on record their sincere appreciation for the services and cooperation rendered by the employees of the Company. The employee relations were cordial during the year and the Company will continue to maintain friendly relations with its employees.

The particulars of employees as required under Sub Section 2A of Section 217 of the Companies Act, 1956 is NIL.

Disclosure of Particulars in the Report of Directors

The Directors, in their report, are required to disclose certain particulars in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo. These particulars are furnished in prescribed format and are enclosed in the Annexure to this report.

As regards the Y2K compliance the Company has installed accounting system that is Y2K compliant. The manufacturing process of the Company and none of the plant and machinery involved in the operations are computerized and hence are not affected by the Y2K bug. The Company incurred an amount of Rs.1.54 lacs on upgrading its accounting system.

Acknowledgements

The Directors wish to place on record their gratitude for the cooperation and support extended to the Company by the Industrial Finance Corporation of India Limited, ICICI Limited, State Bank of Hyderabad, State Bank of Mysore, Bank of India, Kobe Engineering Consultants Private Limited, the Employees of the Company and the Shareholders.

On behalf of the Board of Directors

Sd/-

M.R. Krishnaiah
Chairman

Place : Hyderabad
Date : April 24, 1999