

Balaji

AMINES LTD.

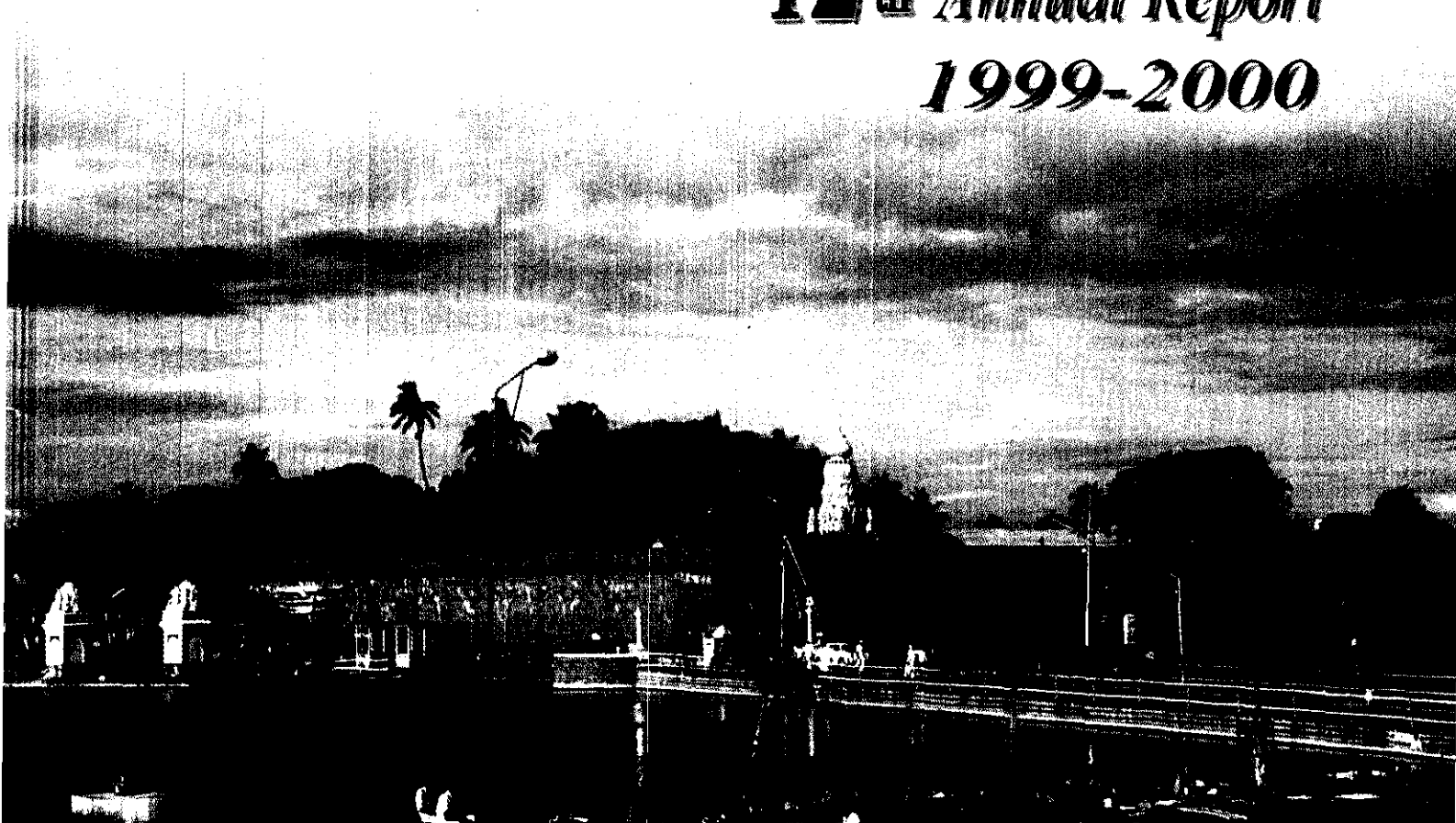
Report

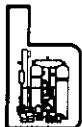


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12th Annual Report

1999-2000





BALAJI AMINES LIMITED

To

31st August, 2000

Dear Share Holder

I express my sincere thanks for the confidence shown on our Company with your valuable investment and trust.

While looking to the past, we have faced lot of problems due to dynamic fluctuations in the markets. But now, we have crossed the hurdles and succeeded in maintaining very smooth and efficient performance of the Company.

We have pleasure to inform you that, the Board of Directors have decided to declare a dividend of 10% for the year 1999-2000.

We once again very much thankful for your continuous support.

Yours Sincerely,

A.PRATHAP REDDY
MANAGING DIRECTOR



TWELFTH ANNUAL REPORT (1999-2000)

BOARD OF DIRECTORS

(As on 31.08.2000)

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 :

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



Balaji Amines Limited

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of Balaji Amines Limited will be held at 10.30 AM on Friday, the 29th day of September, 2000 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 31st March, 2000 and the Balance Sheet as at that date together with the Reports of the Auditors' and Directors' thereon.
2. To declare a dividend on Equity shares.
3. To appoint Director in place of Sri. M.R.Krishnaiah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Sri. T.Naveena Chandra, who retires by rotation and being eligible offers himself for re-appointment.
5. 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 this Annual General Meeting till the conclusion of the next Annual General Meeting and the Managing Director Sri. A. Prathap Reddy, be and is hereby authorised to fix their remuneration in consultation with them."

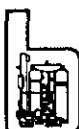
By order of the Board

Place : Hyderabad
Date : August 31, 2000.

Ande Prathap Reddy
Managing Director

NOTE

- a. 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.
- b. Proxy forms must reach the Company's Registered Office at least 48 hours prior to the time for holding the meeting.
- c. The members register and Transfer books of the Company will be closed from September 15, 2000 to September 21,2000, (both days inclusive). The Dividend, if approved will be paid to the members whose names appear in the register of members on September 21,2000.



Balaji Amines Limited

DIRECTORS' REPORT

To the members of Balaji Amines Limited,
Solapur.

The Directors present their report on the affairs of the Company for the financial year 1999-2000 together with the Audited Balance Sheet as at March 31, 2000 and the Audited Profit and Loss account for the year ended on that date and the report of the Auditors thereon.

Performance and Financial results

During the financial year 1999-2000 the Company performed as under;

Sl. No.	Particulars	Rupees in lacs	
		Current year	Previous year
I.	Sales	2596.81	2396.78
II.	Other Income	30.23	14.32
III.	Expenditure	2106.90	2003.69
IV.	Profit before interest, depreciation and tax	520.14	407.41
V.	Depreciation	111.31	107.82
VI.	Profit before interest and tax	408.83	299.59
VII.	Interest	264.33	255.50
VIII.	Prior period adjustments	--	39.67
IX.	Profit before tax	144.50	83.76
X.	Provision for Income tax (MAT)	16.52	8.91
XI.	Profit after tax	127.98	74.85
XII.	Dividend for the year ended March 31,2000 (Including corporate dividend tax)	36.60	--
XIII.	Balance carried forward to Balance sheet	91.38	74.85

Note :

The provision for income tax represents the income tax payable under section 115JA of the Income Tax Act, 1961 (Minimum Alternate Tax). The Company has a credit for the amount paid for a period of five consecutive assessment years in accordance with the provisions of section 115JAA of the Act.

Dividend

Your directors propose to pay a dividend of 10% on equity shares resulting in a dividend of Re.1 per every share of Rs.10 aggregating to Rupees 30 lacs (excluding dividend tax pursuant to section 115 (O) of the Income Tax,1961). The corporate dividend tax on the above dividend amounts to Rs.6.60 lacs.

Operations

During the year under review all the plants of the Company have operated at increased capacity utilization levels due to which the turnover and the profitability of the Company have increased.

The Company has added certain balancing equipment during the year which have a positive impact on the performance of the plant as a whole. The impact of the addition



Balaji Amines Limited

of these equipment is increased capacity utilization, cost saving and increased efficiency of the plant as a whole.

As these equipment are added in the later part of the year the results of the addition will be seen in the current year i.e., financial year 2000-01.

The Company continues its efforts towards cost reduction and energy saving.

Directors

Sri. M.R.Krishnaiah and Sri. T. 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 re-appointment.

Auditors

Messers 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 re-appointment.

Employees

The Company has maintained cordial relations with the employees during the year and the management wishes to place on record their appreciation of the key role played by the employees in the increased efficiency and performance of the Company.

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

The particulars required in the report of the Board of Directors 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 are furnished in prescribed format and are enclosed in the Annexure to this report.

Y2K Compliance

The Company and its operations have not been affected by the Y2K bug. The Company has upgraded its software to be Y2K compliant. As none of the plant / equipment involved in the manufacturing process of the Company are computerized there was no impact on the process.

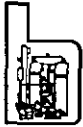
Acknowledgements

The IFCI Limited, The 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 have been very supportive in the growth of the Company. The directors are thankful for the cooperation and support.

On behalf of the Board of Directors

Place : Hyderabad,
Date : August 31, 2000.

M.R. Krishnaiah
Chairman



**Annexure to the Directors Report for the financial year 1999-2000
PARTICULARS REQUIRED UNDER COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS)
RULES, 1988**

A. CONSERVATION OF ENERGY :

A. ENERGY CONSERVATION MEASURES TAKEN :

The Company uses Bagasse, an Agricultural waste in process of manufacture. The use of Bagasse is continued during the current year also.

New evaporation system installed

In the Ethyl Amines Plant - Installed new reactor, extra cooling towers and pumps.

In the Methyl Amines Plant (Old) Extra cooling tower added, new feed pumps introduced and condensate recovery system introduced

B. ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY.

The Company is evaluating the results of the investments made in the past. The Company proposes to add new pumps with lower energy consumption and higher efficiency.

C. IMPACT OF ABOVE MEASURES.

The recuperator installed in the year 1995-96 has brought the expected reduction in the consumption of the electricity.

Due to the new evaporation system the effluent is tackled effectively.

A considerable amount of power saving and reduction in the fuel consumption coupled with improved consumption coefficients has been observed in Methyl and Ethyl Amines plants.

B. TECHNOLOGY ABSORPTION

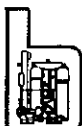
Enclosed in Form B.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is continuously making efforts to identify new export markets. The sustained efforts of the Company are yielding satisfactory results.

Earnings : US dollars current year 2,32,185 equivalent to INR 1,00,33,156 in exports (Previous year US dollars 1,06,560 equivalent to INR 45,28,000)

Outgo : US dollars 1,50,000 equivalent to INR 65,23,500 towards import of raw Material.(Previous year US dollars 83,006 equivalent to INR 35,24,435 and DEM 1,14,400 equivalent to INR 29,27,496 towards import of catalyst and raw material.



Balaji Amines Limited

FORM A

Form of Disclosure of particulars with respect to Consumption of Energy

A. POWER AND FUEL CONSUMPTION

1. Electricity	
a) Purchased Units	40,93,557
Total Amount Rupees	1,59,88,926
Average rate per unit Rupees	3.91
b) Own Generation	
I. Through Diesel Generator	
Units	9,47,696
Total amount Rupees	40,76,201
Average cost per unit Rupees	4.30
II. Through Steam turbine/generators	
Units	Nil
Unit per tonne of coal	Nil
2. Coal (Specify quality and where used)	
I. Coaking Coal for Boiler (MT)	5568-612
Total Cost Rupees	1,03,28,907
Average rate per MT	1854-85
3. Furnace Oil	Nil
4. Other (Agricultural waste)	
I. Bagasee	
Quantity (MT)	13,301-620
Total Cost Rupees	47,28,017
Average rate per MT	355-45
II. Fire wood	
Quantity (MT)	Nil
Total Cost	Nil
Average rate per MT	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

I. Total Production (MT)	
a) Aliphatic Amines and Derivatives	5,665.129
II. Electricity (KWH)	889-87
III. Furnace Oil (Liters)	Nil