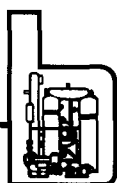


**15th ANNUAL REPORT**  
**2002 - 2003**

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*Balaji*



AN ISO 9002 COMPANY

**AMINES LTD.**

## 15th Annual Report 2002-2003

**BALAJI AMINES LIMITED**

Regd. Office: 165-A, Balaji Bhavan, Railway Lines,  
Solapur – 413 001.

Regd.Folio No. ....

No. of Shares held.....

**FORM OF PROXY**

I/We.....

of .....

BALAJI AMINES LIMITED hereby appoint .....

.....

.....

.....

on my / our behalf at the Fifteenth Annual General Meeting of the Company  
to be held on 16th day of August, 2003 at 10.45 a.m and at any adjournment thereof.

Signed this the ..... day of ..... 2003.

Signature .....

NOTE: The instrument of proxy shall be deposited at the Registered Office  
of the Company not Less than 48 (Forty Eight) hours before the time  
for holding the Meeting.

Affix  
Revenue  
Stamp

**A PROXY NEED NOT BE A MEMBER**

This attendance slip duly filled in to be handed over at the entrance of the Meeting Hall.

Name of the attending member (in Block Letters) .....

Member's Folio Number ..... No. of shares held .....

Name of Proxy (in Block Letters, to be filled in if the Proxy attends instead of the member .....

.....

I hereby record my presence at the Fifteenth Annual General Meeting at Hotel Pratham, 560/61, South  
Sadar Bazar, Solapur – 413 001 held on 16th day of August, 2003 at 10.45 a.m.

- To be signed at the time of handing over the slip

.....  
Member's / Proxy's Signature

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**FIFTEENTH ANNUAL REPORT**  
(2002-2003)

**BOARD OF DIRECTORS**

(AS ON 05.06.2003)

**SRI. M.R. KRISHNAIAH**  
CHAIRMAN

**SRI. A. PRATHAP REDDY**  
MANAGING DIRECTOR

**SRI. T. NAVEENA CHANDRA**  
DIRECTOR

**SRI. S. VISHNU RAO**  
DIRECTOR

**SRI. N. RAJESHWAR REDDY**  
EXECUTIVE DIRECTOR

**SRI. D. RAM REDDY**  
COMMERCIAL DIRECTOR

**REGISTERED OFFICE:**

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

**ADMINISTRATIVE OFFICE**

IVTH FLOOR, KPR HOUSE,  
SARDAR PATEL ROAD,  
SECUNDERABAD - 500 003.

**AUDITORS**

V. SRIDHAR & CO.  
CHARTERED ACCOUNTANTS  
HYDERABAD.

**FACTORY**

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

**BANKERS**

STATE BANK OF HYDERABAD  
STATE BANK OF INDIA  
STATE BANK OF MYSORE



*Balaji*  
AMINES LTD.

## NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the members of Balaji Amines Limited will be held at 10. 45 A.M on Saturday the 16<sup>th</sup> day of August, 2003 at Hotel Pratham, 560/61, South Sadar Bazar, 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 31<sup>st</sup> March, 2003 and the Balance Sheet as on that date together with the reports of the Auditors and the Directors thereon.
2. To declare dividend on Equity Shares
3. To appoint a Director in place of Sri. S. Vishnu Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri D. Ram Reddy, Director Commercial, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and if thought fit to pass with or without modifications the following resolution as an 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 ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and the Managing Director Sri. A. Prathap Reddy, be and is hereby authorized to fix their remuneration in consultation with them.”

### SPECIAL BUSINESS

#### 6. Alteration of Articles of Association

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

“RESOLVED that pursuant to section 31 and any other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and is hereby altered as mentioned hereunder.

#### To add the following as article 10 A after article 10

##### Issue of capital with differential rights

10 A Subject to the relevant provisions of the Companies Act, 1956, the company shall have power to issue equity share capital with differential rights as to dividend and/or voting.

#### To add the following as article 11 A after article 11

##### Buy – Back of Shares

## 15th Annual Report 2002-2003

- 11 A Subject to the relevant provisions of the Companies Act, 1956, the company shall have power to purchase or buy-back its own shares or securities.

**To substitute the following for existing article 12:**

**Register and index of members**

- 12 The company shall cause to be kept a Register and Index of members in accordance with Section 150 and 151 of the Act, and the Depositories Act, 1996 with details of shares held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.

**To insert the following as article 12 A after Article 12**

**Dematerialisation/Rematerialisation of shares**

- 12 A The company shall be entitled to dematerialize its shares, debentures and other securities, rematerialize its shares, debentures and other securities held in the Depositories and/or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder.

**Article 13 to substituted by the following article:**

**Shares to be numbered progressively and no share to be sub-divided**

13. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

**To add the following as article 55 A after article 55**

- 55A In case of transfer of shares, debentures or other marketable securities, where the company has not issued any certificate and where such shares or debentures or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

**To Add the following as article 64 A after article 64**

**Nomination of shares**

- 64 A Every holder of shares or debentures of the company may at all times, nominate, in accordance with provisions of and in the manner provided in section 109 A of the Companies Act, 1956 and any amendments thereof from time to time, a person to whom all rights in the shares or debentures of the company shall vest in the event of death of the holder.

**To Add the following as article 96 A after article 96**

**Postal Ballot**

- 96A. Notwithstanding anything contained in the articles of association of the company, the company do adopt the mode of passing a resolution by the members of the company by means of a postal ballot and/or other ways as may be prescribed by the Central Government.


**7. Voluntary delisting from Pune Stock Exchange.**

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

“RESOLVED that pursuant to the provisions of the SEBI (Delisting of Securities) Guidelines 2003 consent of the shareholders be and is hereby accorded for the voluntary delisting of shares of the company from the Pune Stock Exchange and to continue the listing of shares with the Stock Exchange, Mumbai and Hyderabad Stock Exchange.

**The Following Business Is To Be Transacted Only By Postal Ballot:**

**8. Alteration of objects clause of Memorandum of Association:**

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

“RESOLVED that pursuant to section 17, 192A and any other applicable provisions of the Companies Act, 1956 and the rules made thereunder the memorandum of association of the company be and is hereby altered as mentioned hereunder.

To add the following paras after para 1 of the Main Objects

2. To undertake, promote, assist, procure or otherwise acquire or engage in all kinds, of developmental work, manufacturing, producing, processing, preparing, treating, buying, selling, importing, exporting, distributing, marketing and generally dealing in all kinds, varieties and descriptions of products in the field of Biology, Bio-technology, Bio-Chemistry including molecular and cell biology and to deal generally in all varieties of drugs and pharmaceuticals, medical diagnostics, vaccines, anti-bodies, virulent bacteria, fermenters and other industrial bio-products such as enzymes and gums.
3. To extract, manufacture, sell, import, export, and distribute all kinds of active ingredients from natural sources like plants, herbs, animals, subterranean and marine/aquatic sources, including vaccines, serums, antibiotics and immunologies and sell them with or without processing.

**Para 1 of Ancillary Objects is to be substituted with the following para:**

1. To render professional and technical consultancy including design and engineering services relating to the Chemical, Agro-Chemical, Biology, Bio-technology, Bio-Chemistry and herbal products industries.

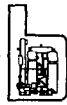
By Order of the Board of Directors

Date : 05-06-2003

**(A. Prathap Reddy)**  
 Managing Director

**15th Annual Report 2002-2003****Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The business mentioned at item No.8 above will not be transacted at the meeting as it is to be transacted through postal ballot. The result of the postal ballot will be declared by the Chairman during the ensuing Annual General Meeting.
3. Explanatory notes pursuant to Section 173(2) of the Companies, 1956 in relation to the special business is annexed hereto.
4. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
5. The register of members and share transfer books of the company will remain closed from 1st August to 15th August 2003 (both days inclusive). The dividend if approved will be paid to the members whose names appear in the register of members on 15<sup>th</sup> August, 2003.
6. Pursuant to Section 205A (5) of the Companies Act, 1956 dividends for the financial year ended 31<sup>st</sup> March, 1995 and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same to the unpaid/unclaimed dividend account will have to be transferred to the Investor Education and Protection Fund established by the Central Government. Hence shareholders who have not claimed or encashed their dividend warrants so far for the financial year ended 31.3.96 or any subsequent financial years are requested to make their claims to the company. According to the provisions of the Act, as amended, no claims shall lie against the said Fund or the company for the amounts of dividend so transferred to the said Fund.
7. Consequent upon the introduction of Section 109 A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No. 2 B in duplicate to the company.
8. Re-appointment of Directors: At the ensuing annual general meeting, Sri. Vishnu Rao and Sri D. Ram Reddy, Director (Commercial) retire by rotation and being eligible offer themselves for re-appointment. The details pertaining to these directors required to be provided pursuant to clause 49 of the Listing Agreement are furnished in the statement on corporate governance published elsewhere in the report.



*Balaji*  
AMINES LTD.

## EXPLANATORY STATEMENT

(pursuant to section 173(2) of the Companies Act, 1956)

### Item No. 6:

Consequent to the amendments to the Companies Act, 1956 it is proposed to incorporate the relevant changes in the articles of association of the company relating to

- Dematerialisation of shares
- Issue of shares with differential rights
- Buy-back of shares
- Nomination by shareholders
- Postal ballot

For carrying out the alterations and to incorporate the necessary changes in the articles of association as proposed in the notice to the annual general meeting, consent of the shareholders by way of a special resolution is required. Hence the said resolution is recommended for the approval of the shareholders.

None of the Directors of the company is concerned or interested in the said resolution.

### Item No.7

It has been observed that trading in the Company's shares at Pune Stock Exchange is very less in volume and as such the Company propose to voluntarily delist its shares from the said Exchange. In conformity with the SEBI (delisting of Securities) Guidelines 2003, since the company will be continuing its listing with Stock Exchange, Mumbai and Hyderabad Stock Exchange, no exit option is being offered to the Shareholders.

Your Directors recommend this resolution for the approval of members as the consent of the members by way of special resolution is required for such delisting.

None of the Directors of the Company is either interested or concerned in the said resolution.

### Item No. 8

Your Directors feel that the Company can diversify profitably into Bio-Technology and Herbal Drugs. For which the Main Objects and the ancillary objects of the memorandum of association of the company needs to be altered suitably. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (passing of the resolution by postal ballot) Rules, 2001, the objects clause of the memorandum of association can only be altered by passing a special resolution through postal ballot. Hence this item of business is being separately circulated to the members along with postal ballot.

As the proposed amendments are for the betterment of the Company's business and will help in maximizing the net worth of the Company your Directors commend this resolution for the approval of the members.

None of the Directors of the Company is concerned or interested in the said resolution.



## 15th Annual Report 2002-2003

**MANAGEMENT DISCUSSION & ANALYSIS :****Business Review :**

It was another disappointing year for the Indian Economy. Despite a host of favorable factors such as lower interest rates, comfortable foreign exchange reserves, low inflation rate the economy failed to recover. We are now seeing the first signs of revival around the world, which gives us hope that the current year will see better performance. We have performed exceedingly well during the year and has achieved the optimum capacity utilization of the capacities created. Process initiative has resulted in establishing itself as a quality producer in the market and also provided the opportunity to tap the international markets and has commenced the export supplies and is confident of exporting over 35% of the products during the current financial year.

The domestic market also responded by the user industries opting our product as the most preferred source of raw material. The user industries have also drawn ambitious plans, which indicates a further surge in the demand of the product. We have already made necessary tie-up with major customers for the increased production of Amines and it's derivatives in domestic as well as in international market.

**Technology :**

We proudly state that, we are the first in country, using indigenous technology and it is proved from last 12 years.

During the year Company has awarded "Recognized Export House" status from Government of India, Ministry of Commerce, New Delhi.

We are quite aware of the support and confidence shown by our investors from the last 7 years.


**Balaji**  
**AMINES LTD.**

## DIRECTORS' REPORT

To  
 The members of Balaji Amines Limited,  
 Solapur

Your Directors take pleasure in presenting the report on the affairs of the company for the financial year 2002-03 together with the Audited Financial Statements and the report of the Auditors thereon.

### Performance

During the year 2002-03 the company has further improved its performance and the efforts of the management and the employees have yielded good results. The turnover has increased by 23.33% while the net profit after tax has increased by 8.50%..

The dividend to the shareholders is also proposed to be increased from 20% in the year 2001-02 to 25% for the current year.

The Company has successfully launched the production of Derivatives Plant in the month of August, 2002 and have good market strategy for the same.

Further the expansion project for Methylamine undertaken by the company was completed during the year and successfully started the production. The expansion project of Methylamine has been appraised by the Sate Bank of India and financed by the same by way of Term Loan.

### FINANCIAL RESULTS

The overall performance of the company for the financial year 2002-03 can be summarized as under

Sl. No.	Particulars	Rupees in lacs	
		Current year	Previous year
I.	Sales	5,067.93	4,115.31
II.	Other Income	20.73	12.46
III.	Expenditure	4,138.71	3226.72
IV.	Profit before interest, depreciation and tax	949.95	901.05
V.	Depreciation	151.08	120.16
VI.	Profit before interest and tax	798.87	780.89
VII.	Interest	167.72	208.72
VIII.	Profit before tax	631.15	572.17
IX.	Provision for Income tax	49.26	45.60
X.	Deferred Tax ( Timing Difference)	0.94	95.91
XI.	Deferred Tax (originating during the year)	169.26	51.24
XII.	Profit after tax	411.68	379.42
XIII.	Dividend for the year (Including corporate dividend tax)	84.23	59.92
XIV.	Transfer to Reserve	42.00	30.00
XV.	Balance carried forward to Balance sheet	285.45	289.50