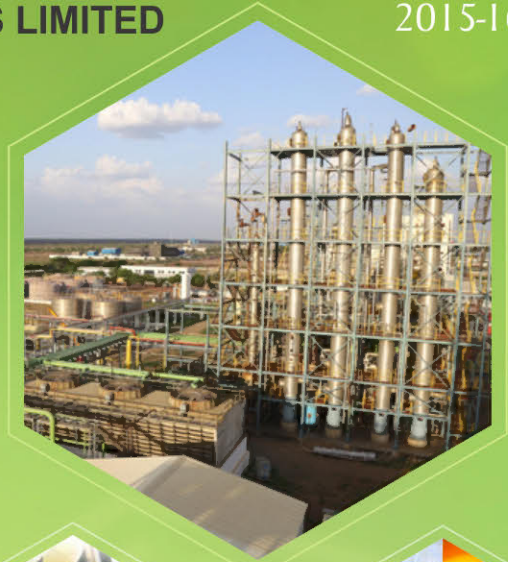


Balaji

AMINES LIMITED

28th
Annual Report
2015-16



'Certificate of Merit Award' for its outstanding performance in Export for the year 2012-13



Balaji Amines Limited have won the 'Certificate of Merit Award' for its outstanding performance in Export for the year 2012-13. The Award was presented by the hands of Smt. Nirmala Sitharaman Hon'ble Minister of state commerce and industry Govt. of India at a Glittering Ceremony on 8th February, 2016 to Shri. A. Prathap Reddy, the Chairman & Managing Director of the Company .

Make in India Award for Excellence - 2015 in the Speciality Chemicals Category



The Company has been honored as the winners for the Make in India Award for Excellence-2015 under the Category of manufactures for Speciality Chemicals in the Country.

The trophy was handed over by the Honourable Shri. Kalraj Mishra, Union Minister for MSME and Dhanraj Paillay, the legendary Hockey Player,(the Rajiv Gandhi Khel Ratna) to Mrs. Arati V. Bandi , the Company Secretary of the company at a glittering event organized by Krazy Mantra, IT organization of Ahmedabad on 18th August 2015 at Mahatma Mandir, at 5.00 PM.

BEST HOTEL – Under Premiere Category – in the SAROVAR GROUP



The unit Balaji Sarovar Premiere was awarded as Best Hotel – Premiere category in 21st Annual Conference of Sarovar Hotels & Resorts for its excellent performance

The trophy was handed over by the Mr. Anil Madhok, the Managing Director and Mr. Ajay K Bakaya – Executive Director of Sarovar Hotels to Mr. Berzin Master, the General Manager of Balaji Sarovar Premiere, Solapur at a glittering event organized by 21st Annual Conference of Sarovar Hotels & Resorts held in Hometel Bhiwadi on 12th September' 2015 for its excellent performance.

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 & CFO
Mr. A. Srinivas Reddy	Whole Time Director
Mr. T. Naveena Chandra	Independent Director
Mr. M. Amarender Reddy	Independent Director
Mr. C.S.N. Murthy	Independent Director
Mr. Kashinath R. Dhole	Independent Director
Mrs. Vimala B. Madon	Independent Director

Mrs. Arati V. Bandi Company Secretary

Audit Committee

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

Share 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. M. Amarender Reddy	Chairman
Mr. T. Naveena Chandra	Member
Mrs. Vimala B. Madon	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.

Statutory Auditors

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

Secretarial Auditors

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

Mr. N. V. S. Kapardhi
Practicing Cost Accountant
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 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 Premiere

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

CONTENTS

Contents	02
Chairman & Managing Director Message	03
Notice	04
Directors' Report	16
Annexures to Directors' Report	23
Report on Corporate Governance	50
CEO/ CFO Certification	68
Auditors Certification on Corporate Governance	69
Auditors' Report on Financial Statements	70
Balance Sheet	74
Statement of Profit & Loss	75
Cash Flow Statement	76
Notes forming part of Financial Statements	77
Auditors' Report on Consolidated Financial Statements	94
Consolidated Balance Sheet	97
Consolidated Statement of Profit & Loss	98
Consolidated Cash Flow Statement	99
Notes forming part of the Consolidated Balance Sheet and Statement of Profit & Loss	100
Form For ECS Mandate	113
Proxy Form	115
Attendance Slip	117

CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Warm Greetings to you all. It gives me immense pleasure in sharing your Company's outstanding performance in all spheres of business.

This was another year of exciting innovations, further improvement in execution and sustained focus on operational efficiencies. Your company continues its relentless efforts in developing world class facilities and processes to manufacture specialty and fine chemicals and in this pursuit, during the year your Company has planned to set up a plant to manufacture Acetonitrile, which will be commissioned by end of Aug-Sep, 2016.

In line with your Company's underlying objective and quest for a pan 360 operationally efficient model we are continuing our efforts on an ongoing basis in integrating various plants, Installing higher capacities as well as undertaking regular technology upgrades at plants which has paid rich dividends in better capacity utilization and resulted in value addition across all the products and has lead to better realization.

Your company has continued to increase Exports, engagement with International Customers with good growth prospects, which we hope will reflect in higher exports over the long term.

With above background and considering the way ahead, I am confident that your company will continue its robust growth path in the coming years. I take this opportunity to thank all our shareholders, customers, Banks, Government of India, Government of Maharashtra, Government of Telangana, suppliers, partners, employees and all other stakeholders for their unstinted and continued support and look forward to the same at all times in the future.

With Best Wishes,

A. Prathap Reddy

Chairman & Managing Director.

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of Balaji Amines Limited will be held on Saturday, the 30th July, 2016 at 11.30 A.M. at Hotel Balaji Sarovar Premiere, Survey No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur, Maharashtra – 413224 to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Financial Statements of the Company for the year 2015-16 together with the Report of the Board of Directors and Auditors thereon; and the audited consolidated Financial Statements of the Company for the year 2015-16.
2. To declare dividend of 100% i.e., ₹ 2/- per Equity Share of ₹ 2/- each to the shareholders for the financial year 2015-16.
3. To appoint a director in place of Mr. G. Hemanth Reddy, 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 and fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, and the rules made there under, M/s. V. Sridhar & Co., Chartered Accountants, Hyderabad, (ICAI Firm Registration No 006206S), who were appointed as the Statutory Auditors of the Company till the conclusion of this Annual General Meeting (AGM) be and are 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 29th Annual General Meeting of the Company. Mr. A. Prathap Reddy, the Chairman & Managing Director is hereby authorized to fix the remuneration in consultation with the Audit Committee and such remuneration may be paid on progressive billing including service tax, as may be mutually agreed”.

Special Business:

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

Ratification of Remuneration to Cost Auditors for the Financial Year ending March 31, 2017

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year 2016-17 to Mr. N V S Kapardhi, Practicing Cost Accountants, (Registration No. 100231), Hyderabad, appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2017, amounting to ₹ 60000/- (Rupees Sixty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified.”

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

Re-appointment of Mr. A. Prathap Reddy as Chairman and Managing Director

“RESOLVED THAT pursuant to the section 196 and 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, Mr. A. Prathap Reddy be and is hereby reappointed as Chairman & Managing Director for a term of 5 years with effect from 01.04.2016 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee in consultation of Board of Directors.

I Salary ₹ 2,80,000/- 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 ₹ 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 ₹ 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2017.
- j) The Chairman & Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 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 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. A. Prathap Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act 2013 from time to time.

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

Re-appointment of Mr. N. Rajeshwar Reddy as a Wholetime Director

"RESOLVED THAT pursuant to the section 196 and 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, Mr. N. Rajeshwar Reddy be and is hereby reappointed as Whole Time Director and be re-designated as Joint Managing Director for another term of 5 years with effect from 01.04.2016 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee in consultation of Board of Directors .

I Salary ₹ 2, 30,000/- 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 ₹ 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 Joint Managing Director will be eligible for an annual increment of ₹ 10000/- p.m. The first annual increment shall accrue to him on 1st April, 2017.
- j) The Joint Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company during the course of business.
- k) Club Fees: Fees of Clubs subject to a maximum of one club.
- l) Commission on Profits: Up to 2% of the net profits of the year 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 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 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. N. Rajeshwar Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act 2013 from time to time.

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

Re-appointment of Mr. D. Ram Reddy as a Whole Time Director

"RESOLVED THAT pursuant to the section 196 and 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, Mr. D. Ram Reddy be and is hereby reappointed as Whole Time Director and be re-designated as Joint Managing Director for another term of 5 years with effect from 01.04.2016 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee in consultation of Board of Directors .

- I Salary ₹ 2, 30,000/- 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 ₹ 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 Joint Managing Director will be eligible for an annual increment of ₹ 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2017.
 - j) The Joint Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company during the course of business.
 - k) Club Fees: Fees of Clubs subject to a maximum of one club.
 - l) Commission on Profits: Up to 2% of the net profits of the year 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 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 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that

may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. D. Ram Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act 2013 from time to time.

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

Re-appointment of Mr. G. Hemanth Reddy as a Whole Time Director

"RESOLVED THAT pursuant to the section 196 and 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, Mr. G. Hemanth Reddy be and is hereby reappointed as Whole Time Director for another term of 5 years with effect from 01.04.2016 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee in consultation of Board of Directors and be designated as Whole Time Director and Chief Financial Officer.

I Salary ₹ 2,30,000/- 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 ₹ 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 Whole Time Director & CFO will be eligible for an annual increment of ₹ 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2017.

j) The Whole Time Director & CFO shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company during the course of business.

k) Club Fees: Fees of Clubs subject to a maximum of one club.

l) Commission on Profits: Up to 1% 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 1% 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 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. G. Hemanth Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act 2013 from time to time.

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

Re-appointment of Mr. A. Srinivas Reddy as a Whole Time Director

"RESOLVED THAT pursuant to the section 196 and 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, Mr. A. Srinivas Reddy be and is hereby reappointed as Whole Time Director for another term of 5 years with effect from 01.04.2016 on a remuneration detailed in the resolution as approved by Nomination and Remuneration Committee in consultation of Board of Directors.

- I Salary ₹ 2,00,000/- p.m.
- II Perquisites:
 - a) House Rent Allowance : 25% of the Salary
 - b) Leave travel Concession: Reimbursement of Leave travel expenses for self & family once in 4 years.
 - c) Premium on Personal Accident Insurance and premium on Mediclaim policy for self and family not exceeding ₹ 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 Whole Time Director will be eligible for an annual increment of ₹ 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2017.
 - j) The Whole Time Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company during the course of business.
 - k) Club Fees: Fees of Clubs subject to a maximum of one club.
 - l) Commission on Profits: Up to 2% 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 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 as may for the time being, be in force and any amendments thereto. In case of any doubts/discrepancy/clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Nomination and Remuneration Committee of Directors. Further, within the overall Nomination and Remuneration, the individual components may be changed as desired by Mr. A. Srinivas Reddy and accepted by the Nomination and Remuneration Committee.

IV. Minimum remuneration:

In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration subject to the ceiling mentioned in Schedule V of the Companies Act 2013 from time to time.

By order of the Board of Directors
For Balaji Amines Limited

Sd/-

Arati V. Bandi

Company Secretary & Compliance officer

Place: Secunderabad
 Date: 21st May, 2016