

Balaji

AMINES LIMITED



30th
Annual Report
2017-18



Glimpse of Foundation Day



Board of Directors

Mr. A. Prathap Reddy	Executive Chairman
Mr. D. Ram Reddy	Managing Director
Mr. N. Rajeshwar 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

Ms. Jimisha Parth Dawda	Company Secretary & Compliance Officer
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Audit Committee

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

Stakeholders' 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 - 413224, Maharashtra.

Administrative Office

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

Factories
Unit 1

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

Unit 2

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

Unit 3

Plot No. E-7 & 8, Chincholi MIDC,
 Tal. Mohol, Solapur - 413 255, Maharashtra.

Unit 4

Plot No. F-104, Chincholi MIDC,
 Tal. Mohol, Solapur - 413 255, Maharashtra.

Unit 5

Nandi Kandi, Sadasivpet, Sangareddy
 District, Telangana.

Hotel Division
Balaji Sarovar Premiere

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

Statutory Auditors

M/s. Ayyadevara & Co.
 Chartered Accountants,
 No. 1-2-386/A/1, Gagan Mahal Colony,
 Hyderabad - 500 029, Telangana.

Secretarial Auditor

M/s. P. S. Rao & Associates
 Company Secretaries,
 Flat No. 10, 4th Floor, # 6-3-347/22/2,
 Ishwarya Nilayam, Dwarakapuri Colony, Panjagutta,
 Hyderabad - 500 082, Telangana.

Cost Accountant

Mr. N.V.S. Kapardhi
 Practising Cost Accountant,
 SRT-148, GHMC No. 7-1-621/468,
 Sanjeev Reddy Nagar,
 Hyderabad -500 038, Telangana.

Internal Auditors

M/s. Aherkar & Co.
 Chartered Accountants,
 Battin Complex,
 35, Ganesh Peth,
 Solapur - 413 005, Maharashtra.

Share Transfer Agents

Venture Capital and Corporate Investments Pvt. Ltd.
 12-10-167, Bharatnagar, Hyderabad-500018.
 Ph : 040-23818475/476; Fax: 040-23868024;
 email: info@vccilindia.com

Bankers

State Bank of India
 HDFC Bank Limited
 Bank of Baroda

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CHAIRMAN'S MESSAGE

Dear Shareholders,

Greetings to you all.

It is with great pleasure and pride I share the performance of your Company during the year 2017-18.

We have crossed many milestones in our journey so far and this being 30th year of our formation it gives great satisfaction and sense of fulfilment in sharing the growth.

The growth of your Company during the past 10 years can be summarised as under:

1. Sales grew from Rs. 251.68 Crs. during 2008-09 to Rs.867.69 Crs. during 2017-18 – CAGR – 13.18%.
2. Profit after tax grew from Rs. 15.32 Crs. during 2008-09 to Rs. 113.18 Crs. during 2017-18 translating to a growth of 738%. – CAGR – 22.14%.
3. Earning per share grew from Rs. 23.65 on face value of Rs. 10/- (equating this Rs. 2/- face value will be Rs. 4.73) during 2008-09 to Rs. 34.93 on face value of Rs. 2/- each translating a growth of 738%.
4. Book value during 2008-09 was Rs. 108.71 on a face value (equating to Rs.2/- face value is Rs. 21.74) which stands at 144.22 during 2017-18 which is around 7 times. – CAGR – 20.83%.
5. Dividend payouts – during the year 2008-09 paid @ 20% of face value and now @ 130% on face value.
6. Return on capital employed increased from 15% in 2008 to 22% in 2017.
7. Average ROE of 21% over last 10 years ranging from 15% to 23%.

You will appreciate that your Company has been the leader in India in space of speciality and fine chemicals it is manufacturing and exporting and has a credit of the only manufacturer over half a dozen products in India.

Your Company has been catering to MNC's all over the world for their requirements of various products by maintaining excellent relationships and adding customers every nook and corner of the Globe.

As committed earlier, your Company's expansion plans are taken up in line with the growth envisaged over the years of long term relationships of our customers and suppliers duly identifying sunrise products.

I would like to announce that, I am now over seeing the operations as Executive Chairman and my team at various operation levels shall be taking charge and fulfill the promises.

Best regards

A. Prathap Reddy
Executive Chairman

BALAJI AMINES LIMITED
PERFORMANCE ANALYSIS FOR THE LAST DECADE

(₹ in Lacs)

Particulars/ Years	2008-09	2009-10	*2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Sales	25,168.68	26,189.58	35,709.56	44,952.36	51,179.60	61,012.63	60,486.18	63,492.35	66,753.42	86,364.74
PBT	2,490.38	3,156.45	4,297.78	5,274.07	4,595.60	4,564.31	5,574.06	9,315.44	13,048.45	16,583.84
PAT	1,532.66	2,064.95	2,661.36	3,566.17	3,118.35	3,352.27	3,635.82	6,127.06	8,557.32	11,318.10
Face Value Per Equity Share (Rs.)	10/-	10/-	2/-	2/-	2/-	2/-	2/-	2/-	2/-	2/-
EPS (Rs.)	23.65	31.87	8.21	11.01	9.62	10.35	11.22	18.91	26.41	34.93
Reserves and Surplus	6,396.56	8,271.96	10,706.63	13,971.53	16,600.33	19,576.02	23,124.54	29,301.19 [#]	37,078.55 [#]	46,080.13 [#]
Book Value per Share (Rs.)	108.71	137.65	35.04	45.12	53.23	62.42	73.37	90.03	113.79	144.22
Share price as on 31st March NSE (Rs.)	61.95	152.00	43.75	36.90	35.00	40.25	82.00	178.10	378.95	561.05
Share price as on 31st March BSE (Rs.)	59.10	152.35	44.45	36.95	35.20	39.95	81.05	178.50	379.60	562.75
ROCE%	18.14	19.13	18.08	27.12	22.17	22.98	23.68	27.98	24.47	31.05
ROE %	17.95	18.67	19.09	24.39	18.08	16.58	15.30	21.00	22.68	24.23
Debt Equity Ratio	1.75	1.42	1.75	0.86	0.87	0.66	0.55	0.39	0.21	0.13
Dividend Paid%	20	25	30	40	65	50	60	100	110	130

NOTES :

* Sub division of a Equity share of Rs 10/- each into 5 equity shares of Rs. 2/- each (1:5 ratio) during the year 2010-11.

Regrouped the Reserves due to Amalgamation.

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Balaji Amines Limited will be held on Thursday, 30th August, 2018 at 11.30 A.M. at Hotel Balaji Sarovar Premiere, Survey No. 9/1A/1, Aasara Chowk, Hotgi Road, Solapur - 413224, Maharashtra to transact the following businesses:

Ordinary Business:

1. To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend of 130% i.e. Rs. 2.60 per equity share of Rs. 2 each.
3. To appoint a Director in place of Mr. N. Rajeshwar Reddy (DIN No: 00003854) who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

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

Ratification of Remuneration to Cost Auditors for the Financial Year ending 31st March, 2019

"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 2018-19 to Mr. N.V.S. Kapardhi, Practicing Cost Accountant, (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, 2019, amounting to Rs. 60,000/- (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."

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

Reclassification of Promoter & Promoter Group

"RESOLVED THAT pursuant to regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary; the approval of the Members, be and is hereby accorded to reclassify Mr. G. Raja Reddy, forming part of promoter group holding 1.25% of the paid up capital of the company to the public Category.

RESOLVED FURTHER THAT Mr. D. Ram Reddy, Managing Director, Mr. G. Hemanth Reddy, Whole-time Director & CFO and Ms. Jimisha Parth Dawda, Company Secretary & Compliance Officer be and are hereby severally authorized to file the necessary applications before the Stock Exchanges and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution and thereby execute all such documents, instruments, papers and writings etc., on behalf of the Company, as may be required from time to time for the aforesaid matter."

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

Adoption of new set of Articles of Association as per the Companies Act, 2013

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], a new set of Articles of Association as placed before the Members, be and is hereby approved and adopted and substituted in place of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things in this connection as may be deemed necessary, proper, desirable and expedient, including delegating all or any of the powers conferred herein to the Company Secretary/any other Officer of the Company, seek all approvals and such other alterations as may be suggested by statutory authorities to give effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard."

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

Appointment of Mr. A. Prathap Reddy as Executive Chairman

"RESOLVED THAT pursuant to provisions of Section 196, 197 of the Companies Act, 2013 and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, [including any statutory modifications or re-enactment(s) thereof, for the time being in force], and such other consents and permission as may be necessary, the consent of the members be and is hereby accorded for change in designation of Mr. A. Prathap Reddy (DIN No. 00003967) from Chairman and Managing Director to Executive Chairman of the Company w.e.f 14th May, 2018 for the remaining period of his tenure, on the same terms and conditions of appointment with same roles and responsibilities as approved by Board of Directors of the Company in the meeting held on 30th January, 2016 and as approved by the Members at the 28th AGM held on 30th July, 2016 and confirmed by the Nomination & Remuneration Committee in its meeting held on 14th May, 2018 which are reproduced below.

I Salary Rs. 3,00,000/- 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 Executive Chairman will be eligible for an annual increment of Rs. 10,000/- p.m. The first annual increment shall accrue to him on 1st April, 2019.
- j. The Executive Chairman shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling 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 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 Remuneration Committee.

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

Appointment of Mr. D. Ram Reddy as Managing Director

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 and Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, [including any statutory modifications or re-enactment(s) thereof, for the time being in force], and such other consents and permission as may be necessary, the consent of the members be and is hereby accorded for elevation of Mr. D. Ram Reddy (DIN No.00003864) by change in designation from Joint Managing Director to Managing Director for a period of three years w.e.f. 14th May, 2018 on the same terms and conditions of appointment as approved by Board of Directors of the Company in the meeting held on 30th January, 2016 and as approved by the Members at the 28th AGM held on 30th July, 2016 and confirmed by the Nomination & Remuneration Committee in its meeting held on 14th May, 2018 which are reproduced below.

- 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 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, 2019.
 - j. The Managing Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including traveling 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 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 Remuneration Committee.

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

To give loan to Balaji Speciality Chemicals Private Limited, Subsidiary Company

"RESOLVED THAT pursuant to the provisions of Section 185 and any other applicable provisions of the Companies Act, 2013 and rules made there under [including any statutory modification thereof for the time being in force and as may be enacted from time to time] and subject to such approvals, consents, sanctions and permissions, as may be necessary, provisions of other applicable laws and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board"), to give loan to Balaji Speciality Chemicals Private Limited, subsidiary of the Company, for an amount up to Rs. 50 Crores (Rupees Fifty Crores only) in one or more tranches, at a rate of Interest 9.50% p.a. to be reset as and when banks revise their interest rates to the Company with marking of 0.50% to be repaid by Balaji Speciality Chemicals Private Limited within a period of three years.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director of the Company or Company Secretary be and are hereby severally authorised to take from time to time such steps as may be necessary and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate."

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

Determination of fees for delivery of any documents through a particular mode to Members

"RESOLVED THAT pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses for delivery of the document(s) through a particular mode upon receipt of such request from a member.

RESOLVED FURTHER THAT the estimated fees for delivery of the document(s) shall be paid atleast one week in advance to the Company, before dispatch of such document(s).