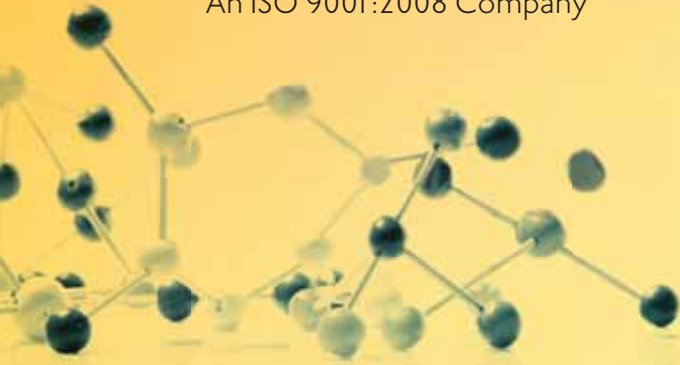




An ISO 9001:2008 Company



We are the
frontrunners...



...in Specialty and Fine Chemicals



We Dare to Dream.

We Strive to Achieve.



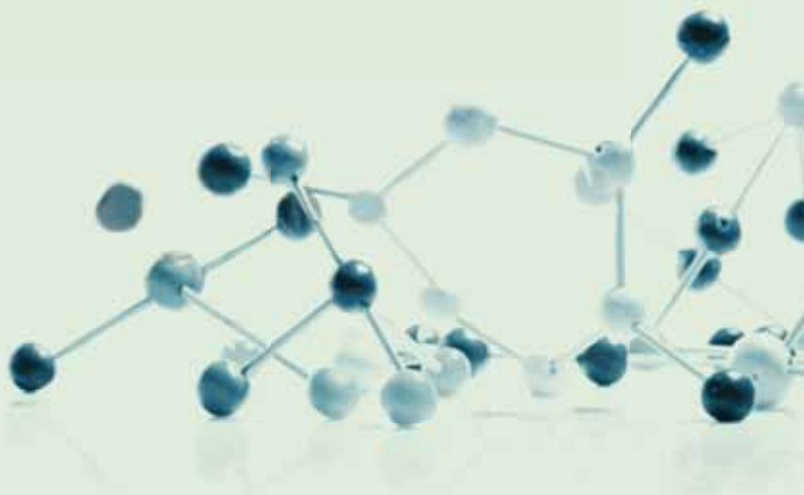
This journey of success began in 1988, when a group of far-thinking visionaries came together to set up Balaji Amines Limited (BAL), to cater to the growing demand for niche specialty chemicals.

Beginning as a single-product company, BAL has come a long way since, making its way into the hearts of scores of global majors in a wide range of growth-oriented industrial sectors.

BAL caters to diverse industrial segments including:

- Active Pharmaceutical Ingredients (APIs)
- Agro-chemicals and pesticide formulations
- Refineries
- Water treatment chemicals
- Rubber chemicals
- Electronics
- Photographic chemicals
- Dye stuffs and paints

During this 23-year journey of excellence, BAL has developed scores of new products and processes through its in-house R&D facilities, and today occupies a prominent position in the manufacture of aliphatic amines (methylamines, ethylamines and their derivatives) and specialty chemicals.



We Are a Cut
Above The Rest



Widely acclaimed for its quality-consciousness, BAL is an ISO 9001:2008 certified company. It also enjoys 'GMP' (for facility and practices) and WHO-cGMP (for products) certifications for some of its products. It has successfully undergone a 'European Third-Party Audit', and has submitted a European 'Drug Master File' (DMF). A DMF for our Povidone product has been submitted to the US Food and Drugs Administration (FDA), and it is currently under evaluation.

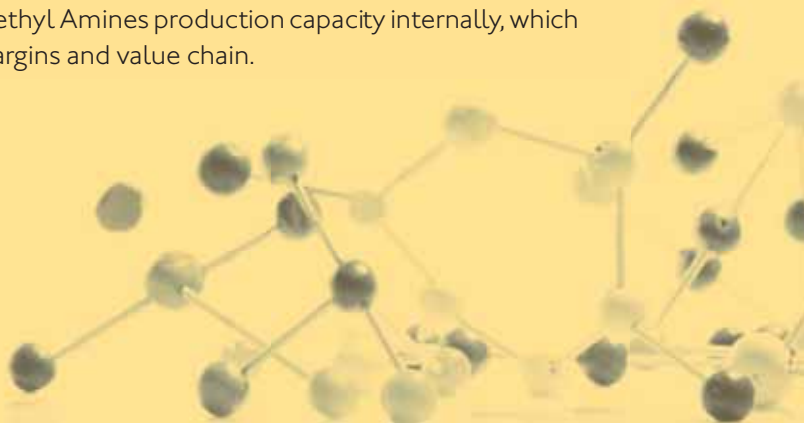
BAL's plants have been developed indigenously and continually revamped over the last two decades to maximize productivity levels with minimum capital outflow and optimal utilization of utilities and raw materials. With its unrelenting in-house R&D endeavour, the company has developed and launched several new products over the years, on par with the world's best in quality and at comparable costs.

The company also has a first-of-its-kind-in-India plant for producing various speciality chemicals, which have been developed through an in-house R&D process. Measuring up to global standards, the company's GBL plant has emerged as a widely acclaimed, cost-effective 100% import substitute.

In its 23-year-long, indigenously developed world-class expertise in the manufacture of methylamines, ethylamines and speciality chemicals, BAL has developed and fine-tuned its in-house process through research and development to become the first Indian company to set up dedicated plants for the manufacture of specialty chemicals like N-Methyl 2 Pyrrolidone (NMP), Morpholine, 2 Pyrrolidone (2-P), Gamma Butyrolactone (GBL), Poly Vinyl Pyrrolidone (PVPK 30), N-Ethyl-2-Pyrrolidone (NEP), MMAE, DEAE, DMU and DMAE, which are widely accepted by clients the world over.

BAL is India's largest manufacturer of methylamines and their derivatives, with a market share of over 60%. The company is the world's largest producer of Di-Methyl Amine Hydrochloride (DMA-HCl), commanding nearly 90% of the global market share. BAL is India's only producer of NMP.

Through judicious and far-sighted backward / forward integration, the company consumes over 70% of its Methyl Amines production capacity internally, which significantly enhances its margins and value chain.



We Have a Diverse Product Range



What are Amines?

Amines are organic compounds that find application in many different ways. They are used to make azo-dyes; many drugs and medicines are based on amino compounds and are used as anti-histamines for allergies, decongestants and tranquilizers. Amphetamine and methamphetamine are amines; one of the compounds used to make nylon is an amine.

Amines and their salts are used as corrosion inhibitors in boilers and in lubricating oils, as antioxidants for rubber and roofing asphalt, as stabilizers for cellulose nitrate explosives, as protectants against damage from gamma radiation, as developers in photography, as flotation agents in mining, as anticling and waterproofing agents for textiles, as fabric softeners, in paper coating, and for solubilizing herbicides. Some amines are valuable pharmaceuticals, too.

Our products include:

Amines

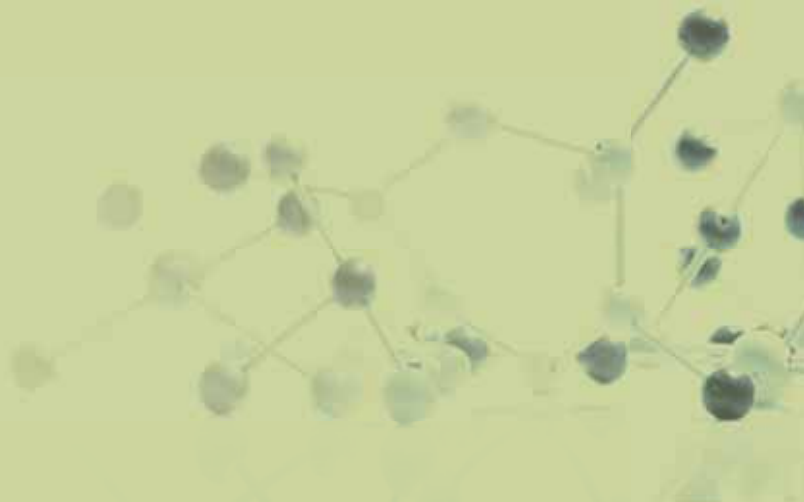
- Mono-Methylamine (MMA)
- Di-Methylamine (DMA)
- Tri-Methylamine (TMA)
- Mono-Ethylamine (MEA)
- Di-Ethylamine (DEA)
- Tri-Ethylamine (TEA)
- Mono-Methyl Amino Ethanol (MMAE)
- Di-Methyl Amino Ethanol (DMAE)
- Di-Ethyl Amino Ethanol (DEAE)

Specialty Chemicals

- N-Methyl Pyrrolidone (NMP)
- Morpholine
- 2-Pyrrolidone (2-P)
- N-Ethyl-2-Pyrrolidone
- Gamma-Butyrolactone
- Poly-Vinylpyrrolidone K 30

Derivatives

- Di-Methyl Acetamide (DMAC)
- Di-Methyl Amine Hydrochloride (DMA-HCL)
- Tri-Methyl Amine Hydrochloride (TMA-HCL)
- Di-Ethyl Amine Hydrochloride (DEA-HCL)
- Tri-Ethyl Amine Hydrochloride (TEA-HCL)
- Di-Methyl Urea (DMU)
- Choline Chloride



We Let Our Clientele Speak for Us





We Straddle
the World



We Lead the World
in Manufacturing



BAL has three full-fledged manufacturing facilities – two in Maharashtra and one in Andhra Pradesh – for the manufacture of methylamines / ethylamines, their derivatives and specialty chemicals.

The manufacturing processes in all the plants are fully automated, through comprehensive Distributed Control Systems (DCS), which facilitate the control of operations from a control room, with minimal manual intervention. Production is carried out using stringent quality control measures with the highest safety parameters.

The Povidone (PVP K 30) plant is GMP certified. The product manufacture incorporates 'Class 100,000' Clean Rooms, which effectively prevents any possible contamination of the products during the production process. The Clean Rooms contain filtered air with positive pressure, 'High Efficiency Particulate Air' (HEPA) filters and 'Heating, Ventilating and Air-Conditioning' (HVAC) system for monitoring particle and microbial count.

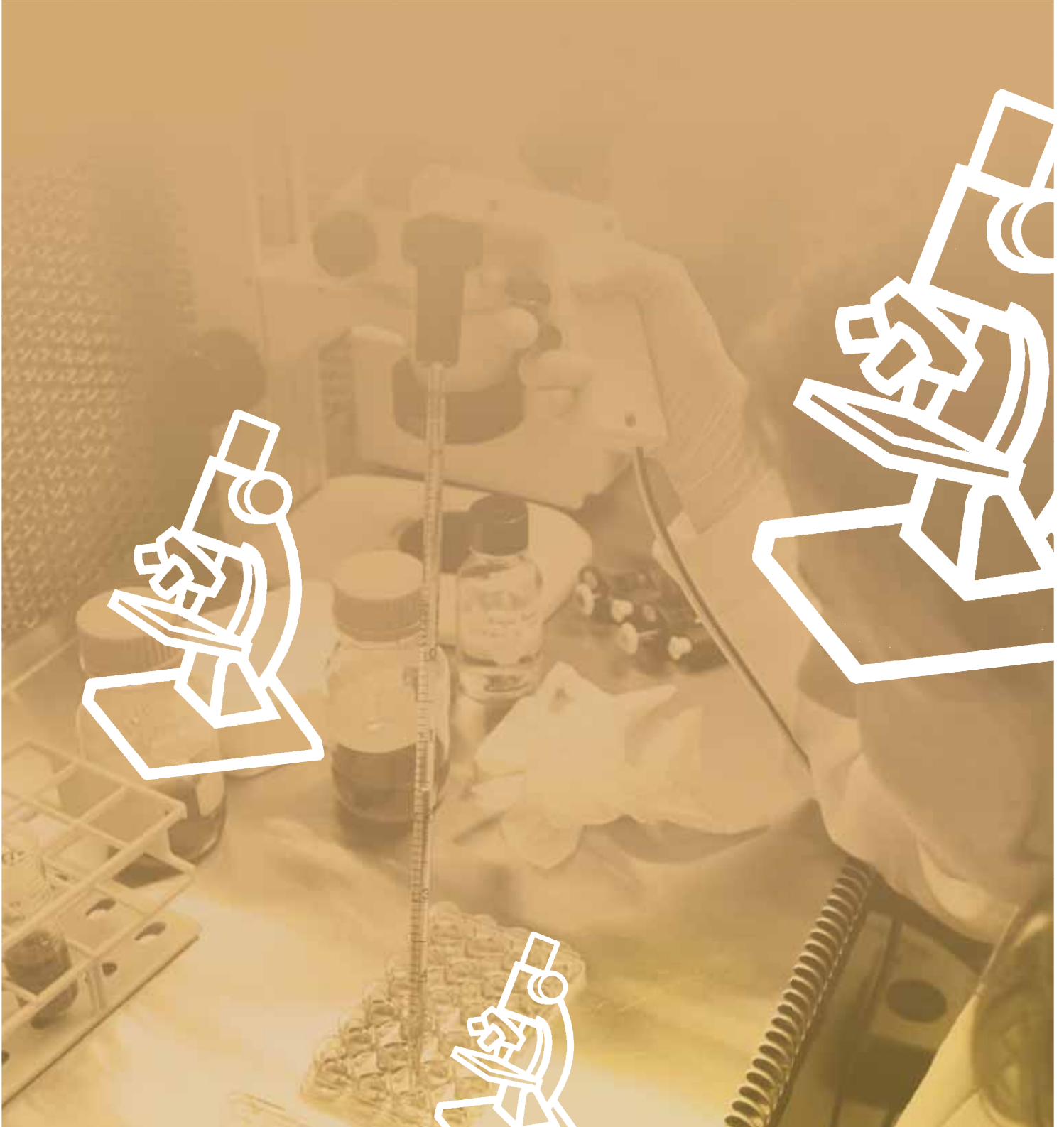


BAL has advanced Quality Control (QC) & Quality Assurance (QA) teams to meticulously carry out analysis of raw materials, process control, finished goods and effluents. Systems have been developed for qualification of testing equipment, validation of analytical methods, impurity profiling, primary references and working standards, stability studies, resolving out of specification results, retained samples and calibration.

In the manufacture of Povidone, the QA section ensures maintenance of cGMP and Quality System, initiation / approval / distribution of procedures, approval of validations and qualifications, deviation handling, implementation of 'Corrective and Preventive Action' (CAPA), change control, complaint handling, product release, internal quality audits, vendor qualification, annual product reviews and management reviews.

For maximizing yield and ensuring continuous operation, the company has a 2.5 MW co-generation power plant at one of its units to ensure uninterrupted power supply.

We Research
and Develop Relentlessly



Placing a heavy premium on quality in everything that it does, BAL has dedicated state-of-the-art R&D facilities that constantly strive to:

- Employ cutting-edge technology to fine-tune the manufacturing processes and optimize energy, utilities and raw materials consumption.
- Effect further improvements in the company's product quality by improving operational parameters.
- Achieve backward and forward integration of products.
- Develop new amines and derivatives as downstream products in pharmaceutical, pesticide and other industries.



BAL's unwavering emphasis on in-house R&D has today placed it alongside global majors in specialty chemicals. BAL has an effective Enterprise Resource Planning (ERP) system that facilitates efficient and coordinated functioning across the organization.

Our Quality Policy

- We will satisfy our customers by supplying products as per their requirements with timely delivery.
- We will maintain continual improvement in all spheres of our activities. We will achieve this by implementing effective methods to improve quality and by inculcating quality culture in our company.

Our Quality Objective is to...

- Implement appropriate technologies and operating methods to remain competitive in national / international markets.
- Maintain leadership in the market by manufacturing new products.
- Motivate the employees and improve their skills through regular training programs and by adopting encouraging measures.
- Implement appropriate environmental and safety measures.

We Stand for Safety,
Health and Environment



Our Environmental Policy

BAL is committed to:

- Conservation of natural resources through optimum utilization with increased effectiveness.
- Continual improvement in our environmental performance through prevention of pollution.
- Compliance with applicable national and local environmental legislation and regulations from time to time.
- Promoting environmental awareness amongst our employees, suppliers and customers.

BAL takes great care to ensure that every element in its entire manufacturing process is absolutely environment-friendly and in strict compliance with statutory norms. All our facilities are regularly audited and certified by technical teams of our MNC customers as well as regulatory agencies.

Operational safety for its employees is accorded the highest priority by the Management. Safety Committee meetings are regularly held to analyze every incident and take suitable preventive measures to avoid any inconsistency. All employees are regularly trained in safe practices to be followed at the workplace. Every employee's opinion and advice on safety issues is considered with due respect.

Liquid Effluents

- Low 'Total Dissolved Solids' (TDS) in organic effluents are fed to multiple effective evaporators after adjusting the pH. 70% of the water is recovered as distillate and recycled as cooling tower make-up water / process water. The concentrate is fed to forced evaporators for further evaporation. The bottom sludge is filtered in nutch filters and dried on drying beds. Dried solid waste is sent to an authorized solid waste management company.

- Liquid organic waste is sent to authorized liquid waste incinerators. An organic waste incinerator is under installation at Unit 3.
- Aqueous process effluents are treated in an effluent Reverse Osmosis (RO) plant, where the permeate is recycled back to cooling tower make-up. The reject is sent to multiple-effect evaporator / recycled back to the process.



- Domestic waste water is let out through a septic tank, and overflow is passed into a soak-pit.

Gaseous Emissions

- Boilers of large capacity are connected to Electro-Static Precipitators (ESPs), in order to maintain less than 0.50 ug / m³ suspended particles in the exhaust gases. Stack height is maintained as per statutory requirements.
- Outlet gases of smaller capacity boilers have bag filters and dust collectors, which ensure that the exhaust gases have less than 150 ug / m³ of suspended particles.
- Gaseous emissions from the process are passed through wet scrubbers before being let out. The vents of HCl bulk storage tanks are connected to water scrubbers. Ammonia and Methylamines are scrubbed in water, and the scrubbed water is recycled back into the process.

Under its 'Clean Development Mechanism' (CDM) initiative, the company has developed environment-friendly hydrogen-fired boilers, which substitute fossil fuels like coal and diesel with hydrogen, which causes 'zero' pollution to the atmosphere and leaves low carbon footprint.

We Look Ahead
with Confidence



Over the last decade, India has emerged as one of the world leaders in the discovery, development and manufacture of pharmaceuticals, chemicals and specialty products. BAL is among the frontrunners in this impressive growth story, providing high-quality inputs to a host of well-known global brands.

Through a series of sustained and systematic process refinements in its indigenous facilities, BAL has been consistently adding capacities to meet the ever-growing demand for its world-class products, from both the domestic and overseas markets.

Continuing to place a high premium on excellence in production, the company is expanding by setting up a new pilot plant for development of new processes.

BAL looks to work on these strengths further and – with continued emphasis on R&D – diversify into newer products with high growth potential, with particular emphasis on world markets. This strategy will offset possible external turbulences like downturn in market demand, escalation in raw material prices and changes in regulatory frameworks for the company, which has been accorded 'Star Export House' status by the Ministry of Commerce, Government of India. The company has obtained registration for its products in Europe under the 'REACH' (Registration, Evaluation, Authorization and Restriction of Chemicals) procedure.

In order to utilize its available land in Solapur and also diversify the company's chemicals business, BAL is constructing a premium star hotel there, which will be operated in association with a leading hotel management chain. Given that the city is growing rapidly in stature as an important nodal point on the industrial map of India, this investment in the hotel venture is expected to yield attractive returns.

Through all this, BAL is guided by its basic values of integrity, transparency and responsibility towards all its stakeholders.



We Are Proud of Our Achievements

Chemexcil 'Certificate of Merit' for Outstanding Export Performance

BAL bagged the 'Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council' (Chemexcil) 'Certificate of Merit' for Outstanding Export Performance in 2005-06.



Mr D Ram Reddy (Director - Commercial, BAL) receiving the Chemexcil 'Certificate of Merit' from Mr Jyotiraditya Scindia (Union Minister of State for Commerce & Industry).

FIEO 'Niryat Shree' Award

BAL won the 'Federation of Indian Export Organizations (FIEO) 'Niryat Shree' Award for Outstanding Export Performance in 2008-09 in the 'Chemicals, Drugs, Pharma and Allied Products - MSME' category.



Mr A. Prathap Reddy (Managing Director, BAL) receiving the 'Niryat Shree' Award from Mr Jyotiraditya Scindia (Union Minister of State for Commerce & Industry).

Chemexcil 'First Award for Export Performance'

BAL won the 'Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council' (Chemexcil) 'First Award for Export Performance' in 2007-08.



Mr D Ram Reddy (Director - Commercial, BAL) receiving the Chemexcil 'First Award for Export Performance' from Mr Srikant Jena (Union Minister of State for Chemicals & Fertilizers).

We Treasure Our People



BAL's growth is founded on its deep sense of respect for its human resources. The company's corporate philosophy centers on training and motivating its 600 dedicated employees to seek higher positions of responsibility and grow with the organization. The company provides them with an environment that enables them to constantly excel and outperform themselves and, in the process, contribute to the larger organizational cause.

Training at BAL is a continuous process, which includes not only aspects related to employees' specific functions, but also larger organizational issues such as company policies, quality systems, cGMP practices, safety, hygiene and environmental protection.

We Care Beyond Chemicals



The company runs a library in Tammalwadi village, and keeps it stocked with good books and periodicals for the villagers' benefit.



BAL has also been pioneering in minimizing the usage of fossil fuels like diesel and coal by replacing the same with hydrogen fuel.



Generous assistance and encouragement is provided to rural youth to pursue their interests in education, sports and other activities.

Driven by the belief that a business enterprise should look beyond merely increasing shareholder value, BAL has set up Balaji Foundation and Research Centre (BFRC), which undertakes many community outreach programs in Solapur and Osmanabad districts.

During the year under review, BFRC was engaged in the following activities:

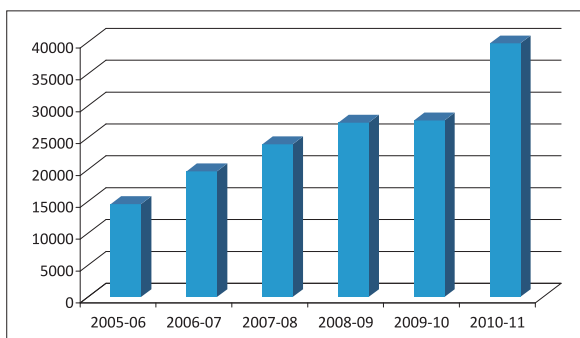
- At a place provided by the Tammalwadi Gram Panchayat, a clinic has been set up for providing free medical check-up of the poor and needy. The clinic is visited daily by a doctor arranged by BFRC.
- Regular health camps have been organized at places where there are no doctors.
- To spread quality education, government schools in and around Tammalwadi village are regularly provided with books, furniture, laboratory equipment, sports gear, etc.
- Vocational training programs are being held to equip rural youth to acquire requisite skill sets for obtaining sustainable livelihoods.



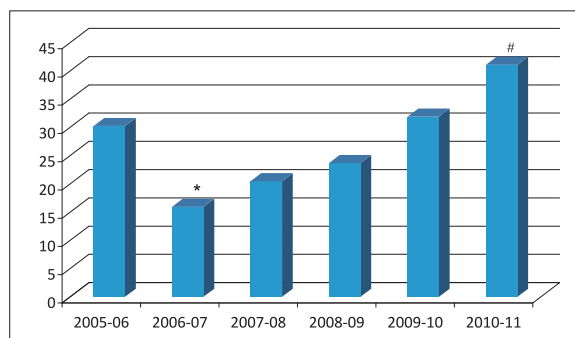
Daily free health check-up and distribution of medicines in Tammalwadi village

We Say it With Numbers

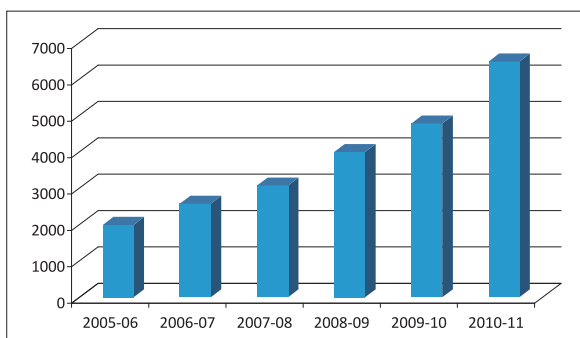
Gross Sales (in Rs Lakhs)



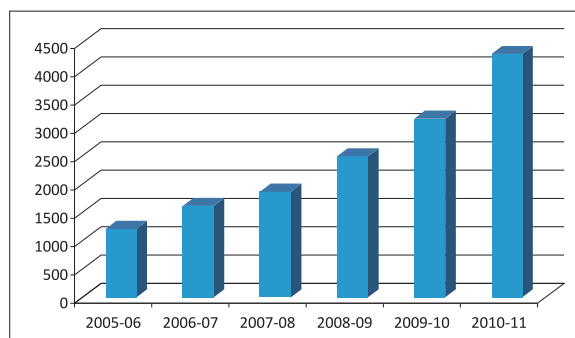
EPS (in Rs)



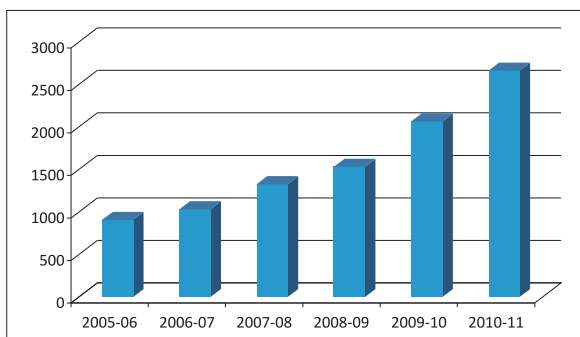
PBDIT (in Rs Lakhs)



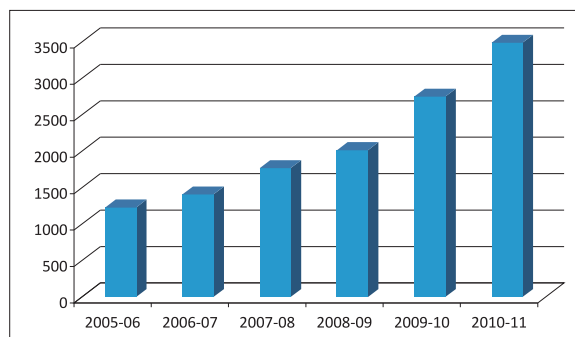
PBT (in Rs Lakhs)



PAT (in Rs Lakhs)



Cash Profit (in Rs Lakhs)



* After bonus issue of 1:1

EPS calculated on the equity share of face value of Rs. 10/-

Board of Directors

Mr MR Krishnaiah	Chairman
Mr A. Prathap Reddy	Managing Director
Mr N Rajeshwar Reddy	Whole-time Director
Mr D Ram Reddy	Whole-time Director
Mr G. Hemanth Reddy	Whole-time Director
Mr T Naveena Chandra	Independent Director
Mr S Vishnu Rao	Independent Director
Mr SV Pattabhiraman	Independent Director
Mr Hemish Purushottam	Company Secretary

Audit Committee

Mr T Naveena Chandra	Chairman
Mr MR Krishnaiah	Member
Mr S Vishnu Rao	Member
Mr SV Pattabhi Raman	Member

Shareholders' / Investors' Redressal Committee

Mr T Naveena Chandra	Chairman
Mr S Vishnu Rao	Member
Mr A. Prathap Reddy	Member

Research & Development Committee

Mr A. Prathap Reddy	Chairman
Mr N Rajeshwar Reddy	Member
Mr G. Hemanth Reddy	Member

Remuneration Committee

Mr MR Krishnaiah	Chairman
Mr T Naveena Chandra	Member
Mr S Vishnu Rao	Member

Registered Office

Balaji Bhavan, 165/A, Railway Lines
Solapur, Maharashtra - 413001

Administrative Office

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

Auditors

M/s V. Sridhar & Co.
Chartered Accountants
Hyderabad

Bankers

State Bank of Hyderabad
State Bank of India
ING Vysya Bank
Bank of Baroda

Share Transfer Agents

Sathguru Management Consultants Pvt. Ltd.
Plot No. 15, Hindi Nagar
Punjagutta, Hyderabad - 500034

Factories

Unit 1

Tammalwadi Village
Tuljapur Taluk
Osmanabad District
Maharashtra - 413623

Unit 2

Plot No 4 & 5
Beside APSEB Sub-Station 2
IDA, Bollaram - 502325
Medak District, AP

Unit 3

Plot No E-7 & E-8
MIDC, Chincholi
Solapur - 413255, Maharashtra

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Managing Director's Message



Dear Shareholders,

Warm greetings to you all.

The financial year 2010-II marked another year of strong and consistent performance for our company. Over the last five years, under challenging economic conditions, our company has been consistently performing well with CAGR of 14% for Gross Sales and 21% for PAT.

During the year, our company has achieved Gross Sales of Rs 385.05 Crore, which is an increase of 38.94% over the previous year (Rs 277.14 Crore). Profit After Tax (PAT) this year has been Rs 26.61 Crore, representing a 28.92% increase over the previous year (Rs 20.64 Crore). Exports during the year were Rs 75.43 Crore, compared to Rs 67.17 Crore in the previous year.

During the year, one of the company's products – N-Methyl Pyrrolidone (NMP) – received 'REACH' certification, which enables the company to export the product to Europe. Further, a new plant for manufacture of GBL / NMP / 2P with an installed capacity of 50 MT/day was commissioned during February 2011. This capacity expansion is expected to add both to the topline and exports in the coming financial years.

During the year, 1.5 MW Windmill project at Satara, Maharashtra, started generating power from the month of September 2010.

During the year, the Povidone manufacturing facility has achieved WHO GMP certification, which enables the company to export Povidone to regulated markets. The said plant has also been successfully audited by multiple multinational auditing agencies as well as customers.

Our company is India's only manufacturer of specialty chemicals like NMP, GBL, Morpholine, Povidone, NEP etc., The plants for these products

have been developed indigenously by company's in-house R & D. The quality of these products is on par with international standards and is commanding 100% import substitute in India. Some of the other products of the company are commanding 100% market share in India and are being exported to major customers worldwide.

Our company has become one of the leaders in Specialty Chemicals in the international Specialty Chemical industry and plans to be among top 10 companies in the years to come.

Some of the expansion / diversification activities taken up during the current year are:

A new plant for manufacture of Methyamines is under implementation with an installed capacity of 30000 MT per annum at MIDC, Chincholi, which will be commissioned in this financial year

Construction is in full swing for development of a 100-room hotel property at Solapur, to be operational by mid-2012. A formal agreement with the Sarovar Group of Hotels has been entered into for operating / managing the hotel property in the name of 'Balaji Sarovar Portico'.

With all the above additions, I am confident that our company will continue its growth path in the coming years. I take this opportunity to thank all our shareholders, customers, Government of India, Government of Maharashtra, suppliers, partners and employees for their continued support and look forward to receiving the same in the future.

With best wishes,



A. Prathap Reddy
Managing Director

Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF BALAJI AMINES LIMITED will be held on Thursday, 28th day of July 2011 at 11:30 a.m. at the Registered Office of the company at 165/A, Balaji Bhawan, Railway Lines, Solapur to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2011, the Profit and Loss account for the year ended on that date and the Report of the Directors' and the Auditors' thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2011.
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 N. Rajeshwar Reddy who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Sri M.R. Krishnaiah who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the remuneration

By Order of the Board of Directors
For **Balaji Amines Limited**

Place : Secunderabad
Date : April 28, 2011

Hemish Purushottam
Company Secretary

NOTES:

- i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and a proxy need not be a member of the company. Proxies, in order to be valid and effective, must be delivered at the registered office of the company not later than 48 hours before the commencement of the meeting.
- ii) The register of members and share transfer books of the company will remain closed from 18.07.2011 to 28.07.2011 (both days inclusive). The dividend if declared will be paid to the Members, whose names appear in the register of members as on 28.07.2011
 - a) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Transfer Agents of the company namely M/s. Sathguru Management Consultants Private Limited, Plot No 15, Hindi Nagar, Punjagutta, Hyderabad-500034 quoting their folio Numbers.
 - b) In order to avoid fraudulent encashment of dividend warrants, Members holding shares in physical forms are requested to send to the Registrar and Transfer Agents of the company, on or before 18th July, 2011, a Bank Mandate (providing details of name and address of banker, branch, PIN code and particulars of bank accounts) or changes thereon, if not provided earlier, under the signature of the sole / first holders along with the folio numbers. This information will be printed on the dividend warrants. You may avail of the Electronic Clearing Service (ECS) mandate facilities provided by the company.
- iii) Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank account details. ECS mandates, nominations, power of attorney, change of address / name etc. to their depository participant only and not to the company or its Registrar and Transfer Agent. The said nominations will be automatically reflected in the Company's records.
- iv) Shareholders who have not yet encashed their dividend warrant for the year 2003-04 and subsequent years may approach the company for re-validation, issue of duplicate warrants etc. Dividends remained unclaimed for the period over 7 years from the date of declaration will be transferred to Investor Education and Protection Fund as per law.
- v) 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. 2B in duplicate to the company.
- vi) Pursuant to the requirements on the Corporate Governance under the listing agreement entered into with stock exchanges, the information about the Directors proposed to be appointed /re-appointed is given in the annexure to the notice.
- vii) Members desirous of getting any information about the accounts and / or operations of the company are requested to write to the company at least seven days before the date of the meeting to enable the company to keep the information ready at the meeting. All the documents referred to in the Notice and explanatory statement will be available to the members at the Registered of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof upto the date of the Meeting.
- viii) Ministry of Corporate Affairs has undertaken a "Green Initiative in Corporate Governance" and allowed companies to send documents such as Notice of the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to the shareholders in electronic form instead of the paper form. Members are requested to send/ update their email address with their Depository or Registrar and Transfer Agents of the Company.

By Order of the Board of Directors
For **Balaji Amines Limited**

Hemish Purushottam
Company Secretary

Place : Secunderabad
Date : April 28, 2011

Additional Information

(pursuant to Clause 49 IV (G) of the Listing Agreement- Information of directors proposed to be appointed/ re-appointed)

Name of the Director	N. Rajeshwar Reddy	S. Vishnu Rao	M.R. Krishnaiah
Date of Birth	02 nd February, 1955	20 th November, 1930	31 st December, 1931
Date of appointment on the Board	16 th November, 1988	03 rd August, 1990	03 rd August, 1990
Qualification, Experience & Expertise	He holds a Bachelor's degree in Commerce and has over 30 years of experience across various industries.	BSc (Physics), CAIIB. Over 50 Years of experience in banking spread across various departments. Retired as Manager in IDBI.	BSc (Chemistry) BSc (Tech) F.I.E (Fellow of Institute of Engineers) M.I.I.C. E. Over 55 Years of experience spread across various Industries. Retired as Chief Executive with M/s Panyam Cements & Mineral Industries Ltd.
Directorship in other public companies (excluding foreign companies and Section 25 Companies)	Nil	Nil	Nil
Shareholding	5,94,895	50	125

By Order of the Board of Directors
For **Balaji Amines Limited**

Place : Secunderabad
Date : April 28, 2011

Hemish Purushottam
Company Secretary

Directors' Report

Dear Shareholders

Your Directors have pleasure in presenting the Twenty Third Annual Report of the company with Audited Statement of Accounts for the year ended 31st March, 2011.

Financial Results

The financial highlights for the current year in comparison to the previous year are as under:

(Rupees in Lakhs)

Sl. No.	Particulars	Current Year (2010-2011)	Previous Year (2009-2010)
1	Gross Sales	38,504.69	27,713.98
2	Less: Excise Duty	2795.13	1,524.40
3	Sales	35,709.55	26,189.58
4	Other Income	193.14	145.63
5	Expenditure	33,846.50	23,487.12
6	Profit before interest, depreciation and tax	6479.70	4,774.24
7	Depreciation	826.10	683.60
8	Profit before interest & tax	5653.60	4,706.44
9	Interest and Finance Charges	1355.83	970.59
10	Prior Period items	0	36.40
11	Profit before tax	4,297.78	3,156.45
12	Provision for Income tax	955.40	530.00
13	Deferred tax	681.02	561.50
14	Profit after tax	2,661.36	2,064.95
15	Dividend for the year (including corporate dividend tax)	226.69	189.94
16	Transfer to reserve	266.14	210.00
17	Balance carried forward to Balance Sheet	2,168.53	1,665.41
18	Reserves (Excluding Revaluation reserves)	10,706.63	8,271.96
19	EPS (Rs)	8.21*	31.87#

*EPS worked out on Equity Shares of face value of Rs. 2/-

#EPS worked out on Equity Shares of face value of Rs. 10/-

Operating Results and Business

During the year, your company has achieved a Gross turnover of Rs. 385.05 Crore as compared to the turnover of Rs. 277.14 Crore during the previous year. Your company registered an impressive year on year growth of 38.94%, Profit After Tax is Rs. 26.61 Crore in the current year as compared to Rs. 20.64 Crore recording a growth of 28.92%.

Your Company's excellent performance is primarily attributed to the product mix, increase in value chain and increase in plant efficiencies which has optimised the consumption co-efficients of materials compared to previous year and stringent cost control measures implemented by the management across the plants.

Exports: The net exports have increased by 12.30% over the previous year figures of Rs. 67.17 Crore to Rs. 75.43 Crore. The Company's products are well placed in the Global Market. During the year, your company has registered under "REACH" for supplying one of the products to EU countries which go through stringent Quality checks. Your company is the first company to register under REACH from India for this product

Dividend

Based on company's performance and track record of declaring dividends to shareholders, the Directors are pleased to recommend for approval of the members a dividend of Rs 0.60/- per share (30% on paid up value of Rs 2/- per share). The total cash outflow on account of dividend payable including dividend distribution tax payable is Rs. 226.69 lacs.

Transfer to Reserves

The Company proposes to transfer Rs. 266.14 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 2,168.53 lacs is proposed to be retained in the Profit and Loss account.

Subdivision of Equity Shares

During the year the company's equity shares were sub-divided from Rs. 10/- per share to Rs. 2/- per share as per the special resolution passed by the members of the company at their 22nd Annual General Meeting of the Company held on 8th September, 2010 in order to improve the liquidity of the Company's shares in the stock market and to make it affordable to small investors.

Research & Development

Continuous R&D initiatives have yielded results during the year with major reductions in consumption co-efficients accompanied by increase in utilization of resources. Your company has become one of the leaders in Specialty Chemicals among International Specialty Chemical Industry and plans to be among top five Aliphatic Amines Manufacturing Companies in the years to come.

Your Company has been setting aside sizable money for continuous Research and Development for the following activities.

- Identification of New products and development of latest process technologies for the same.
- Continuous improvement of process and fine tuning process parameters to optimize utilization of energy, utilities and raw materials consumption.
- Backward and forward integration of products to improve value chain.
- During the year, your company has invested in R & D activities as under.
- R & D Capital Expenditure – Rs. 1.33 Crores.

Expansion / Diversification

The following expansion/ diversification projects were undertaken during the year:

- New project of 15000 MT per annum installed capacity of GBL, NMP / 2P at MIDC, Chincholi, Solapur has been commissioned during the year.
- New plant for manufacture of Methylamines and Ethylamines is proposed with an installed capacity of 30000 MT per annum at MIDC, Chincholi which will be commissioned during the last quarter of FY 2011-12.
- 1.5 MW capacity wind mill at Satara has been commissioned and has started generating power from September 2010.
- Construction is in full swing for development of 100 Room Hotel Property at Solapur to be operational by mid 2012. An agreement has been formalized with SAROVAR Group of Hotels for operating / managing the Hotel property.

Fixed Deposits

The company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

Directors

In terms of Article 134 of the Articles of Association of the company Sri S. Vishnu Rao, Sri N. Rajeshwar Reddy and Sri M.R. Krishnaiah retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Their profile describing the expertise in specific functional area and other directorships held by them as stipulated in clause 49 of the listing agreement is provided in the Additional Information Section forming part of Notice and Corporate Governance Report which is part of the Annual Report.

Consolidated Financial Statements

The Consolidated Financial Statement of your company with that of its wholly owned subsidiary Bhagyanagar Chemicals limited is provided in the Annual Report. The annual accounts of the subsidiaries and the related detailed information shall be made available to members seeking such information at any point of time. The annual accounts of the Bhagyanagar Chemicals Limited shall also be kept for inspection by any of the members at the administrative and registered office of the company.

Auditors

M/s V. Sridhar & Co, Chartered Accountants, Hyderabad, Statutory Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Particulars of Employees

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 (the Act), read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the Act, the Annual Report is being sent to all Members of the Company excluding the aforesaid information. Any Member interested in obtaining such particulars may write to the Company Secretary at the Administrative Office of the Company.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report and is annexed hereto.

Directors' Responsibility Statement

Pursuant to the provisions of subsection (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:

- in the preparation of Annual Accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- the directors have prepared the annual accounts on a going concern basis.

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

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are given as Annexure A and forms part of this report.

Corporate Governance

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report. Certificate from the Auditors of the Company, confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is annexed to this Report.

Industrial Relations

The relationships with employees, suppliers and customers across the Company are cordial.

Social Responsibility

The Company has undertaken various community projects in and around Solapur / Osmanabad districts areas through Balaji Foundation & Research Centre for improving the following:

- a. Started a clinic with a visiting Doctor for rural underprivileged, needy people at Tamalwadi in a place provided by Village Gram Panchayat.
- b. Conducting regular Health camps in villages where there are no doctors.
- c. Mentoring rural youth for pursuing their dreams in education, sports and other activities.
- d. Employing rural youth by providing appropriate vocational training.

Acknowledgments

Your Directors acknowledge the tremendous services rendered by the employees of the company at all the levels toward its overall success. Your Directors also express their grateful appreciation for the support and co-operation received from Banks, Government authorities, Customers, Vendors and members.

For and on behalf of the Board of Directors

Place : Secunderabad
Date : April 28, 2011

M.R. Krishnaiah
Chairman

Annexure to the Directors' Report

Particulars required under the companies (disclosure of particulars in the report of board of directors) rules, 1988.

Conservation of Energy

(a) Energy Conservation Measures taken

The Company has an excellent team of professionals who are responsible for energy conservation on continuous basis with the latest trends, developments & technologies available in conserving the energy across all the plants.

The main areas of conservation of energy are:

- a. Instrumentation & Automation
- b. Steam generation & Optimum recovery by synchronisation.
- c. Waste Water utilisation & Conservation
- d. Recovery of heat from the process.

Energy audits are done periodically and any further scope for improvement are being addressed for each plant at all the units duly implementing the latest techniques, processes and methodologies.

(b) Additional Investments and Proposals for Reduction of Consumption of Energy

- a. Optimising the usage of storage / pumping system.
- b. Pollution control / waste water recovery system.

(c) Impact of the above measures

Better environment and enhanced usage of resources through re-use.

- I. Organic RO installed for recovery of water:
Benefits:
 - a) Consumption of dealklised water for cooling tower is reduced.
 - b) Steam consumption reduced considerably which was required for evaporation of organic water.

Boiler & Power Plant

- I. ElectroMagnet is fixed over the Belt Conveyor:
Benefits:
 - a) Feeder chocking problem due to Iron particles reduced.
2. Shell & Tube cooler is installed on circulation line of Hot well:
Benefits:
 - a) Conservation of energy and better efficiency of the plant.

B) Technology Absorption (Enclosed in Form B)

Efforts made in technology absorption – Form B attached hereto

C. Foreign Exchange Earnings and Outgo

Your company has made sustained efforts in exploring export markets. The particulars are as under:

10. Foreign Exchange Earnings and Outgo

Current Year					
Earnings	US Dollars	1,02,24,547.52	equivalent to INR	46,33,24,784	in Exports
	Euro	3,577,165.06	equivalent to INR	21,30,28,715	in Exports
	GBP	3,52,787.88	equivalent to INR	2,54,02,835	in Exports
Previous Year					
	US Dollars	4,585,878.12	equivalent to INR	21,65,35,880	in Exports
	Euro	5,618,031.76	equivalent to INR	37,58,99,275	in Exports
	GBP	2,71,769.36	equivalent to INR	2,02,29,201	in Exports
Current Year					
Outgo	US Dollars	15,253.20	equivalent to INR	6,99,263	For commission toward sales promotion
	Euro	1,332.80	equivalent to INR	81,567	
	US Dollars	239.00	equivalent to INR	10,875	For Regn. & Renewal exp.
	EURO	3,02,025.00	equivalent to INR	1,86,45,850	For Regn. & Renewal exp.
	US Dollars	6,150.00	equivalent to INR	2,76,105	For traveling expenses
	EURO	1,655.00	equivalent to INR	1,09,079	For traveling expenses
	EURO	25,033.67	equivalent to INR	15,43,164	Towards Exhibition charges
	US Dollars	2,55,000.00	equivalent to INR	1,17,32,100	For consultancy Charges
	US Dollars	22,866.00	equivalent to INR	10,71,190	For Import of Machinery
	US Dollars	2,57,98,463.88	equivalent to INR	1,18,08,71,870	for import of Raw Materials
Previous Year					
Outgo	US Dollars	15,094.13	equivalent to INR	7,24,401	For commission toward sales promotion
	EURO	7,988.00	equivalent to INR	5,38,242	
	US Dollars	229.00	equivalent to INR	10,552	For Regn. & Renewal exp.
	EURO	9,000.00	equivalent to INR	5,98,680	For Regn. & Renewal exp.
	US Dollars	44,393.00	equivalent to INR	21,25,637	For traveling expenses
	EURO	3,900.00	equivalent to INR	2,71,053	For traveling expenses
	EURO	22,969.04	equivalent to INR	14,97,306	Towards Exhibition charges
	US Dollars	47,700.00	equivalent to INR	21,73,860	For consultancy Charges
	US Dollars	1,35,000.00	equivalent to INR	62,37,000	For Import of Machinery
	US Dollars	1,18,17,653.17	equivalent to INR	56,61,56,111	For import of
	EURO	1,16,750.00	equivalent to INR	81,23,465	Raw Materials

Form A

Form of Disclosure of Particulars with Respect to Consumption of Energy

A. Power and Fuel Consumption			
Sl.No.	Particulars	Current Year	Previous Year
I.	Electricity		
	a) Purchased Units	31,09,874	53,73,583
	Total Amount Rupees	1,80,39,527	2,53,24,917
	Average rate per unit Rupees	5.80	4.71
	b) Own Generation		
	I. Through Diesel Generator		
	Units	6,69,330	7,15,693
	Total amount Rupees	1,01,00,730	85,26,181
	Average cost per unit Rupees	15.09	11.91
	II. Through Steam turbine		
	Units	1,48,18,995	1,11,05,936
	Total amount rupees	4,91,41,738	267,52,886
	Average rate per unit	3.32	2.41
2.	Coal		
	I. Coking Coal for Boiler (MT)	84744.775	63505.741
	Total Cost Rupees	35,72,53,394	24,43,24,263
	Average rate per MT	4,215.64	3,847.28
3.	Furnace Oil	0	0
4.	Other (Agricultural waste)		
	I. Bagasse		
	Quantity (MT)	1,376.27	0
	Total Cost Rupees	2,619,621	0
	Average rate per MT	1,903.44	0
	II. Firewood		
	Quantity (MT)	4.200	176.94
	Total Cost	12,600	3,52,815
	Average rate per MT	3,000.00	1,993.98
B. Consumption per Unit of Production			
	I. Total Production (MT)		
	a) Aliphatic Amines and Derivatives	53176.262	43809.228
	II. Electricity (KWH)	349.75	392.50
	III. Furnace Oil (Liters)	-	-



Form B

Form of Disclosure of Particulars with respect to Technology Absorption

A. RESEARCH AND DEVELOPMENT

1. Specific Areas in which the company carries out R&D.

- Process fine tuning in Morpholine plant enhanced the plant capacity.
- Process fine tuning in PVP K 30 plant for producing international pharma grade PVP K 30
- Process fine tuning for drying of Choline Chloride 60% to meet the customer's requirement of moisture content in the product
- Plant modified for production of CC 98% to meet the customers requirement

2. Benefits derived

- Improved the quality of the product and matched the international standards.
- Lowered the production cost by increasing the productivity with improved consumption coefficients.

3. Future Course of Action

- Greater Importance for both Backward & forward integration of product lines for better realization and value addition
- Continued emphasis on identifying new products / process through in house R&D centre's process development by simulation and analysis of available data.

4. Expenditure on R & D

- a. capital in nature Rs. 1.33 crores

B. Technology Absorption, Adoption and innovation

Efforts made

Through the R & D initiatives new products/processes developed, involves usage of latest technology, process and methods.

Benefits

Overall performance of the company has been satisfactory and operating at a high scale of operations

Management Discussion & Analysis

Industry Structure, Development and Outlook

The company is a leading manufacturer of aliphatic amines in India and the only manufacturer of 100 % import substitute specialty chemicals such as N-Methyl- 2- Pyrrolidone (NMP), Morpholine, 2- Pyrrolidone (2-P) Gamma Butyrolactone (GBL), Poly Vinyl Pyrrolidone (and PVPK 30), N-Ethyl-2- Pyrrolidone (NEP), all of which are widely accepted by customers the world over. The company caters to various Industries which are backbone of Indian economy and has market presence in the following growth oriented areas;

- Active Pharmaceutical Ingredients (APIs)
- Agro-chemicals and pesticide formulations
- Refineries
- Water treatment chemicals
- Rubber chemicals
- Electronics
- Photographic chemicals
- Dye stuffs and paint industries

The Indian economy has emerged with remarkable rapidity from the slowdown caused by the global crisis, with growth of 8.6 percent (advance estimate) in 2010-II and is expected to grow 9 percent next year as per Indian Economy Survey 2010-II. As the growth momentum remains strong and broad based, the company is expected to continue its excellent performance in the coming years.

Financial Performance with Respect to Operational Performance

Financial Highlights for the Year 2010-II

Rs. in lakhs

Particulars	Current Year (2010-2011)	Previous Year (2009-2010)	Growth %
Gross Sales	38,504.69	27,713.98	38.94
Net Sales	35,709.55	26,189.58	36.35
Earnings before interest, depreciation and tax (EBITDA)	6,479.70	4,774.24	35.72
Earnings before interest & tax (EBIT)	5,653.60	4,706.44	20.12
Profit before tax (PBT)	4,297.78	3,156.45	36.16
Profit after tax	2,661.36	2,064.95	28.88
EPS (Rs)	8.21*	31.87 [#]	28.80

* EPS worked out on equity shares of face value of Rs. 2/-

[#] EPS worked out on equity shares of face value of Rs. 10/-

Income

The company posted a gross turnover of Rs. 385.05 crore as against Rs. 277.13 crore in the previous year. Of the total revenues for the year ended March 31, 2011 approximately 19.60 % i.e., Rs. 75.43 crore were derived from exports.

The growth in revenues is due to an all-round growth in various segments of the product mix and productivity improvements and is mainly due to growth in business volumes in terms of higher quantities.

Operating profits

The Company earned an operating profit (EBITDA) of Rs. 64.80 crore during the current year, as compared to Rs. 47.74 crore during the previous year.

Depreciation

We provided Rs. 8.26 crore as depreciation during the current year as compared to Rs. 6.83 crore for the previous year. The depreciation as a percentage of average gross block (excluding land) is 4.17% and 4.55% for the year ending March 31, 2011 and 2010 respectively.

Net profit after tax

The company posted profit after tax of Rs. 26.61 crore for the current year as against Rs. 20.65 crore in the previous year.

Earnings Per Share (EPS)

Our basic EPS increased by 28.80% during the year to Rs. 8.21 (on Rs 2/- face value). In the previous year the EPS stood at Rs. 31.87 on Rs. 10/- face value (Rs. 6.37 on Rs. 2/- face value).

Segmental profitability

The Company operates in single segment only.

Opportunities and Threats

Your company's competitive strengths are as follows:

- Commitment to superior quality and continuous process improvements.
- Strong recognition and long-standing client relationships.
- Large scale manufacturer in Methylamines and its derivatives and
- India's first and only manufacturer of Specialty Chemicals such as NMP, GBL, 2P, PVP K-30 in India.
- Low competition for company's products in Domestic Market.
- Forward and Backward integration for increase in value chain.

Opportunities

- The Company has received 'REACH' certification for some of its Specialty products like NMP for exporting its products to Europe. And the company has recently increased its capacity of NMP/GBL/2P in Feb 2011. With this, we are aggressively expanding our customer base in markets both domestic and abroad.
- Capacity Expansion for Methylamines and its derivatives is expected to be commissioned in the financial year 2011-12.
- Continuous process fine tuning and improvements to improve consumption coefficients.

Internal Control System

The Directors through the audit committee regularly reviews the internal control systems and also promptly implement the suggestions given by the internal auditor in improvising upon the existing system. In the opinion of the Board of Directors, an effective and adequate internal control system, commensurate with the size of the company and nature of its business is in place.

Cost Controls

Balaji Amines has been investing its resources in identifying cutting edge technologies for maintaining the manufacturing process and in this endeavour, all the actions have been paying rich dividends in terms of saving on energy, human resources, raw materials etc.

Industry Relations

The company had introduced various platforms such as House committees, safety committees etc., whereby the employees exchange their views and suggestions with the various levels of management. The management has experienced that this system resulted in increased and mutually beneficial relationships and employee participation in the day-to-day operations of the company. The company has always maintained harmonious and happy relations with all its employees.

Human Resources

Balaji Amines recognizes that nurturing and developing best human resources by recruiting the best talent is vital to the long term success of the enterprise. Employees are provided with continuous opportunities for active learning and development which are viewed as key drivers of their personal growth thereby contributing to the success of the Company. The remuneration structure is linked directly with performance and reward. This performance management system reinforces our Organization's work culture.

The company acknowledges that, human resources who have been nurtured and strengthened over the years are its biggest asset.

Safety, Health and Environment

At Balaji Amines, Safety is considered at highest priority and all the efforts are made to ensure safe working environment for employees. All probable incidents are analyzed in safety committee meetings and preventive and corrective actions are taken accordingly. All Employees are regularly trained in safety practices to be followed at work place at all times.

Risks & Concerns and Risk Mitigations

The Company has a robust and well-structured risk management system in place. Driven by its people, the system goes deep down into lower layers of management. The company is responsible for and ensures Effective Risk Management including risk identification and mitigation. A team of professionals are given responsibility of each location to analyze risk and assess the potential concerns and address the same to mitigate the risks.

Each employee is entitled to identify risk and report it to the concerned risk head of that division who in turn reports it to the Head of the plant. The risks are entered in the Risk Register and classified in terms of their impact and probability of occurrence. The risks are further mapped in terms of mitigation, action to be taken and the people responsible for taking the actions. The Risk Register is reviewed periodically by senior management and is presented to the Safety Committee on a quarterly basis.

The Company has a systematic risk identification and mitigation framework in place, there are certain business risks, which are external and intrinsic to the company. Over these risks the company has very little control. Some of these include a general downturn in market demand conditions, escalation in raw material prices and changes in regulatory frameworks.

Cautionary Statement

Statements in this management discussion and analysis report describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report, by using words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied.

Corporate Governance

A. Company's Philosophy on Corporate Governance

The Company believes that the Corporate Governance is integral to all the functions and divisions of the organization for creating value for all the stakeholders. In this competitive business environment, both the management and employees vigorously uphold the values of integrity, transparency, responsibility and accountability.

The Company believes that corporate governance is about best practices of business to be imbibed in to the culture of the organisation and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

At Balaji Amines Limited, the focus is on its core strengths, value systems, hard working and strategic moves to be in the leading edge of new technology. It also strives to be ahead of competition by taking all the risk assessment well in advance.

The Company has strengthened its corporate governance practices and has set highest standard of Corporate Governance by implementing the code of Corporate Governance in accordance with clause 49 of the listing agreement with the stock exchanges.

B. Board of Directors

- i. The Board of Directors of the Company consists of Eight (8) Directors and the Chairman is an Independent Non Executive Director. To ensure independent, transparent and professional conduct of board procedures in all aspects related thereto, fifty percent (50%) i.e. 4 out of 8 directors are Independent directors. The composition of the directors is in accordance with the Clause 49 of the Listing Agreements entered with the Stock Exchanges.
- ii. There are no pecuniary relationships or transactions with Independent Non Executive Directors except for sitting fees paid for attending Board and other Committee Meetings.
- iii. Four (4) Board meetings were held during the Financial Year 2010-II and the gap between two meetings did not exceed four months. The said board meetings were held on the following dates:

Board Meeting Number	Date of Board Meeting
132	29.04.2010
133	29.07.2010
134	28.10.2010
135	27.01.2011

- iv. None of the Directors on the board is a member in more than 10 committees or Chairman in more than 5 committees, across all the companies in which he is a director.

- v. The names and categories of Directors on the Board, their attendance at the Board Meeting and at the Annual General Meeting, as also the number of Directorship and Committee Membership held by them in other companies are given below:

Name of the Director	Category	No. of Board Meeting attended	Attended AGM held on 08.09.2011	No. of Other Directorships Held	Memberships / chairmanships held in Committees of other Companies	
Sri M.R. Krishnaiah (Chairman) DIN 02361937	Independent Non-Executive Director	3	No	-	-	-
Sri. A. Prathap Reddy (Managing Director) DIN 00003967	Executive Director	4	Yes	3	-	-
Sri N. Rajeshwar Reddy (Whole-time Director) DIN 00003854	Executive Director	2	Yes	2	-	-
Sri D. Ram Reddy (Whole-time Director) DIN 00003854	Executive Director	2	Yes	6	-	-
Sri G. Hemanth Reddy (Whole-time Director) DIN 00003868	Executive Director	3	Yes	2	-	-
Sri T. Naveena Chandra (Director) DIN 00231636	Independent Non-Executive Director	4	No	5	-	-
Sri S. Vishnu Rao (Director) DIN 02410801	Independent Non-Executive Director	4	No	-	-	-
Sri S.V. Pattabhiraman (Director) DIN 00195247	Independent Non-Executive Director	3	No	1	-	-

C. Board Committees

1. Audit Committee

The Audit Committee functions according to the powers, scope and role as defined in the Companies Act, 1956 and the Listing Agreement. The Audit Committee consists of Independent Directors, who provide assistance to the Board of Directors in fulfilling their responsibilities.

During the year under review, four meetings of the committee were held on 29.04.2010, 29.07.2010, 28.10.2010 and 27.01.2011.

The composition of the committee as on 31.03.2011 as well as the particulars of the attendance at the committee meeting during the year is given below:

Name	Designation in Committee	Category of Directorship	Qualification	No. of Meetings Attended
T.Naveena Chandra	Chairman	Independent, Non- Executive	Chartered Accountant	4
M.R. Krishnaiah	Member	Independent, Non- Executive	Management Consultant	3
S. Vishnu Rao	Member	Independent, Non- Executive	Ex Banker	4
S. V. Pattabhiraman	Member	Independent, Non- Executive	Ex Banker	3

Necessary Quorum was present for all the meetings.

The composition of the committee is in accordance with the requirements of the Clause 49 of the Listing Agreement and also Section 292A of the Companies Act, 1956.

In addition to the above the committee meetings were also attended and supported by A. Prathap Reddy (Managing Director) and G. Hemanth Reddy (WTD). The Company Secretary of the Company acts as the Secretary to the Committee.

The primary objective of the audit committee is to monitor and effectively supervise the Company's financial reporting.

Terms of Reference

1. To provide direction and to oversee the operations of the audit functions of the Company.
2. To review the internal control and audit systems with special emphasis on their quality and effectiveness.
3. To review Quarterly, Half yearly and Annual financial results before submission to the Board.
4. To investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred by the Board.
5. To have full access to information contained in the records of the Company and external advice, if necessary.
6. To review matters required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
7. In addition to above, the committee shall have such functions / powers / role as may be specified in the Companies Act, 1956, Listing Agreement or any other applicable law.

2. Remuneration Committee

Terms of Reference

The terms of reference as per of the Listing Agreement is to determine and review the remuneration, performance, and related bonuses of Executive Directors.

Composition

Remuneration Committee of the Company consists of following non-executive independent directors:

Name	Category	Designation
Sri M.R. Krishnaiah	Independent, Non-Executive	Chairman
Sri T. Naveena Chandra	Independent, Non Executive	Member
Sri S. Vishnu Rao	Independent, Non Executive	Member

Details of remunerations paid / payable to directors for the year ended 31st March, 2011 is as under:

a) Independent, Non-Executive Directors

Name of the Director	Sitting Fees (Rs.)	Total
Sri M.R. Krishnaiah	21,000	21,000
Sri S. Vishnu Rao	28,000	28,000
Sri S.V. Pattabhiraman	21,000	21,000
Sri T. Naveena Chandra	28,000	28,000

Apart from the sitting fees, there were no other pecuniary relationships or transactions of the Non-Executive Independent Directors vis-à-vis the Company.

b) Managing Director and Executive Directors

Name of the Director	Salary, allowances & Perquisites	Commission	Sitting Fees (Rs.)	Loans from the Company	Total
Sri A. Prathap Reddy	32,88,000	2,06,10,333	Nil	Nil	2,38,98,333
Sri N. Rajeshwar Reddy	24,66,000	70,93,333	Nil	Nil	95,59,333
Sri D. Ram Reddy	24,66,000	70,93,333	Nil	Nil	95,59,333
Sri G. Hemanth Reddy	24,66,000	23,13,667	Nil	Nil	47,79,667

The Managing Director and Whole-time Directors are also entitled to Company's Contribution to Provident Fund, Superannuation fund, to the extent not taxable and gratuity and encashment of leave at the end of tenure as per the rules of the Company and to the extent not taxable.

Shareholding of Directors of the Company as on 31st March, 2011

Name of the Director	Designation	Number of Shares held
Sri M. R Krishnaiah	Chairman	125
Sri A. Prathap Reddy	Managing Director	55,38,050
Sri N. Rajeshwar Reddy	Whole-time Director	5,94,895
Sri D. Ram Reddy	Whole-time Director	4,66,885
Sri G. Hemanth Reddy	Whole-time Director	7,05,020
Sri S. Vishnu Rao	Director	50
Sri S. V. Pattabhiraman	Director	50
Sri T. Naveena Chandra	Director	50

3. Shareholders / Investors Grievance Redressal Committee

Terms of reference

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors.

The Committee specifically looks into investor complaints like Transfer / transmission / transposition of shares, non receipt of Annual Report, non – receipt of dividend, and other related issues.

Composition

Name	Designation	Status
Sri T. Naveena Chandra	Chairman	Non-Executive Independent Director
Sri S. Vishnu Rao	Member	Non-Executive Independent Director
Sri A. Prathap Reddy	Member	Managing Director

Details of status of the references / complaints received and replied / resolved during the year are given in the following statements.

Sl. No	Description	No. of request received	No. of request resolved	Pending cases
1	Change of Address	4	4	0
2	Duplicate Share Certificate	1	1	0
3	Loss of Share certificate	1	1	0
4	Bank Mandate	6	6	0
5	Non Receipt of Dividend Warrant	2	2	0
6	Revalidation of Dividend	15	15	0
8	Miscellaneous	3	3	0
9	Non receipt of Bonus	1	1	0
Total		33	33	0

4. Research and Development Committee

Terms of reference

The Board has constituted Research and Development Committee, to carry out the Research and Development initiations for PVPK 30 and other amines derivatives.

The committee also monitors the implementation of new plans for identifying the new products, improving the processes etc. to optimise the utilisation of all the resource.

Composition

Name	Designation	Status
Sri A. Prathap Reddy	Chairman	Managing Director
Sri N. Rajeshwar Reddy	Member	Whole-time Director
Sri G. Hemanth Reddy	Member	Whole-time Director

The Company has three units in operation to develop products in these units the and to monitor the Research and Development initiatives in a effective manner. The Committee has formed two sub- committees at the unit level which comprise of the following members.

Unit I	Unit III
Sri A. Prathap Reddy	Sri A. Prathap Reddy
Sri N. Rajeshwar Reddy	Sri N. Rajeshwar Reddy
Sri P. B. Choudhury	Dr. Shyam Rao
A. Muralidhar	A. Muralidhar

General Body Meeting

Venue and time of the preceding three Annual General Meetings (AGM)

Year	AGM	Venue	Day & Date	Time
2007-2008	20 th AGM	Registered Office: I65-A, Balaji Bhavan, Railway Lines, Solapur - 413001	Wednesday, 24 th September, 2008	11:30 A.M.
2008-2009	21 st AGM	Registered Office: I65-A, Balaji Bhavan, Railway Lines, Solapur - 413001	Saturday, 29 th August, 2009	11:30 A.M.
2009-2010	22 nd AGM	Registered Office: I65-A, Balaji Bhavan, Railway Lines, Solapur - 413001	Wednesday, 8 th September, 2010	11:30 A.M.

Special Resolutions passed in the previous 3 AGMS

AGM	SPECIAL RESOLUTION (S) PASSED
20 th AGM held on 24.09.2008	NIL
21 st AGM held on 29.08.2009	<ol style="list-style-type: none"> 1. Special Resolution for approval amendment of Article No. 120 of the Article of Association of the Company for widening the scope of appointment of director by removing requirement of holding share for appointment as director 2. Special Resolution for deletion of Article No. 146 of the Article of Association of the Company for doing away with the requirement of calling a board meeting by giving a notice of 15 days.
22 nd AGM held on 08.09.2010	<ol style="list-style-type: none"> 1. Special Resolution for Sub-division of Equity Shares of the Company having face of Rs. 10/- each into five equity of Rs. 2/- each. 2. To reappoint Sri A. Prathap Reddy as Managing Director and fix his remuneration. 3. To reappoint Sri N. Rajeshwar Reddy as Executive Director and fix his remuneration. 4. To reappoint Sri D. Ram Reddy as Director - Commercial and fix his remuneration. 5. To reappoint Sri G. Hemanth Reddy as Whole-time Director and fix his remuneration.

No Special Resolution was passed during the last financial year through Postal ballot. There is no proposal to pass a special resolution through postal ballot in this AGM.

E. Disclosures

Related Party Transaction (Shown in Notes to Accounts)

There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential Conflict with the interests of Company at large.

Details on non-compliance by the Company, penalties and strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the clause

Pursuant to sub-clause VII of clause 49 of the listing agreement, the Company confirms that it has complied with all mandatory requirements prescribed.

As regards non-mandatory requirements, a Remuneration Committee has been formed to evaluate remuneration packages for directors and senior staff members.

C.E.O. / CFO Certification

A. Prathap Reddy, Managing Director and Mr. G. Hemanth Reddy, Whole-time director certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 28th April, 2011

F. Means of Communications

- The Quarterly results are published in Business Standard (in English) and Lokmat Times and Daianik Jagran (in regional language) dailies.
- Quarterly Financial Results are furnished within the time frame to all the concerned Stock Exchanges as per clause 41 of the Listing Agreement and the same are displayed on the Company's website.
- No presentations were made to the analysts or institutional investors during the year under review except to those who have requested for regular information through emailing.
- All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed and the same are displayed on the Company's website.
- The Company's website www.balajiamines.com contains separate dedicated section 'Investor information' where in full Annual Report is also available in a user- friendly and downloadable format.

G. General Shareholder Information

a) 23rd Annual General Meeting

Date and Time	28 th July, 2011 at 11:30 a.m.
Venue	165-A Balaji Bhavan, Railway Lines, Solapur – 400001, Maharastra

b) Tentative Financial Calendar for the year 2011-2012

Financial Year	1 st April to 31 st March
First Quarter Results	Fourth week of July, 2011
Half Yearly Results	Fourth week of October, 2011
Third Quarter Results	Fourth week of January, 2012
Results for year end	Fourth week of April, 2012

c) Date of Book Closure

18.07.2011 to 28.07.2011 (both days inclusive)

d) Dividend Payment Date

The proposed dividend, if approved at the ensuing AGM will be distributed after 28.07.2011.

e) Listing on Stock Exchange

Name of the Stock Exchange	Security Code
The National Stock Exchange of India, Mumbai	BALAMINES
The Bombay Stock Exchange Limited, Mumbai	530999

The Company has paid the annual listing fees for the year 2011-12 to both the above stock exchanges.

f) Market Price Data

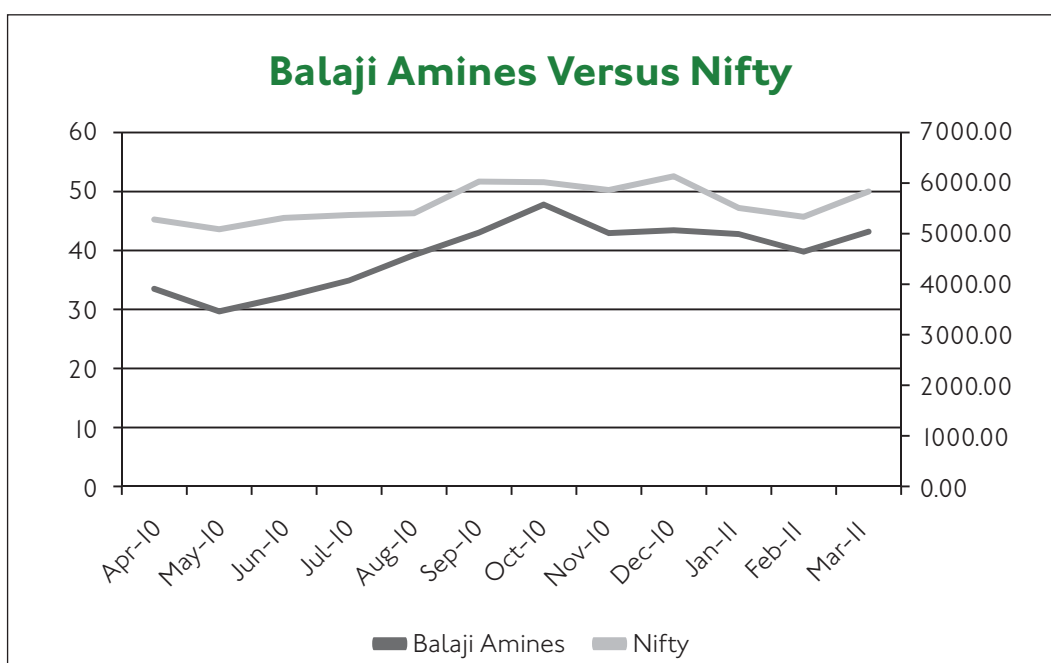
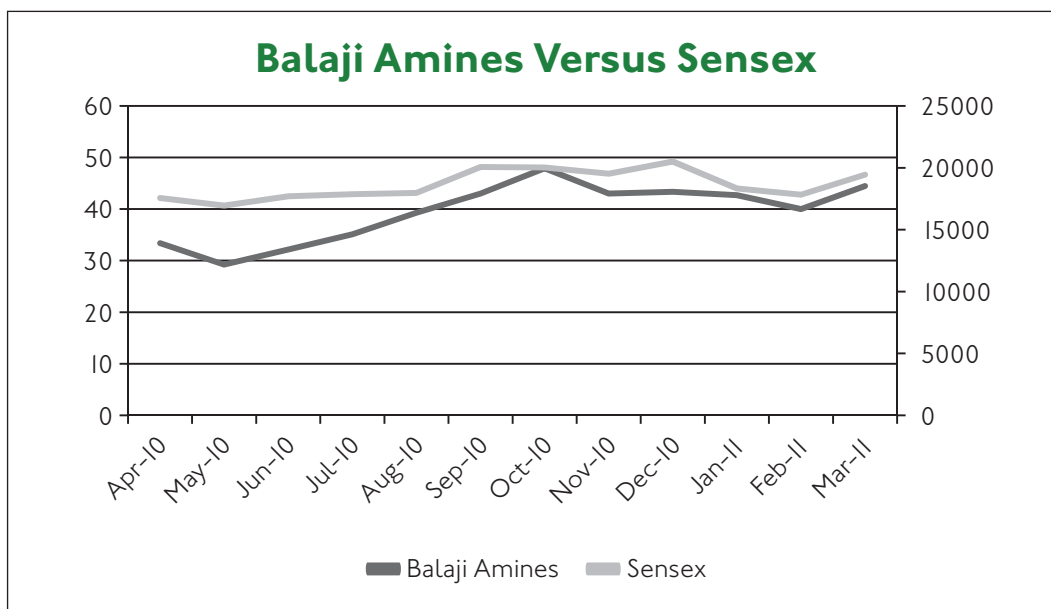
The closing market price of the equity shares as on 31st March, 2011 was Rs. 43.75 /- on NSE and Rs. 44.45/- on BSE

The monthly movement of the equity share price during the year on BSE and NSE are summarised herein below:

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April 2010	175	151.9	1,18,090	178.00	150.00	1,29,898
May 2010	171.95	134	43,978	169.80	140.00	49,011
June 2010	169.95	131.5	53,733	170.00	137.20	1,50,709
July 2010	199.7	151.6	1,79,208	182.00	158.00	2,41,089
August 2010	212	177.5	2,22,771	205.95	175.55	2,71,709
September 2010	229	176.6	2,65,361	228.20	194.00	2,81,806
October 2010	249.9	215	1,97,534	249.00	215.20	2,64,832
November 2010 *	289.25	40.5	5,48,377	288.00	40.00	6,93,273
December 2010	45	36	2,64,050	45.15	35.50	3,40,233
January 2011	48	40.35	5,77,844	46.80	41.00	5,12,064
February 2011	47.15	35.7	2,51,546	44.00	36.00	2,87,115
March 2011	51.35	40.5	12,19,099	49.00	39.00	10,41,425

* The company shares of the face value of Rs. 10/- have been sub-divided into 5 equity shares of Rs. 2/- each.

- g) The performance of the equity Share price of the Company vis-vis Sensex at BSE and NSE is as under



h) Registrar and Share Transfer Agents

Sathguru Management Consultants Private Limited
Plot No 15, Hindi Nagar,
Punjagutta,
Hyderabad - 500034
Andhra Pradesh
Ph: +91-40-23350586
Email: sta@sathguru.com

i) Share Transfer System

The R & T agents process the share transfers received in physical form and the share certificates are returned within 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee.

The Company obtains half yearly Certificate of Compliance with the Share Transfer formalities as required under clause 47 (C) of the Listing Agreement with Stock exchanges from a Company Secretary in practice and the same is submitted to the Stock Exchanges within the period prescribed.

j) Distribution of Shareholding as on 31st March, 2011

Equity Shares holding of nominal value of Rs.		Equity Shares Holders		Equity Shares Amount	
From	To	Numbers	%	In Rs.	%
I	5,000	4638	89.12	47,98,088	7.40
5,001	10,000	290	5.57	24,23,046	3.74
10,001	20,000	116	2.23	18,29,388	2.82
20,001	30,000	45	0.86	11,48,466	1.77
30,001	40,000	23	0.44	8,40,822	1.30
40,001	50,000	17	0.33	7,93,090	1.22
50,001	1,00,000	35	0.67	24,47,724	3.78
1,00,001	Above	40	0.77	5,05,21,376	77.96
TOTAL		5204	100	6,48,02,000	100

k) Dematerialisation

97.70% of the Company's paid-up equity share capital has been dematerialised as on 31st March, 2011. The Equity shares of the Company are traded compulsory in dematerialized segment in all the stock exchanges and is under rolling settlement. The demat security code (ISIN) of the equity shares is INE050E01027.

l) Plant Location

Unit-I

Tammalwadi (V)
Tuljapur (Tq)
Osmanabad (Dist)
Maharashtra - 413623

Unit-II

Plot No 4 & 5
Besides APSEB Sub- Station-II
IDA, Bollaram - 502325
Jinnaram Mandal
Medak Dist
Andhra Pradesh

Unit- III

Plot No. E-7 & E-8
MIDC,
Chincholi
Solapur
Maharashtra

m) Outstanding GDR's / ADR's / Warrant or any convertible instruments, conversion date and likely impact on Equity

The Company does not have any outstanding instruments of the captioned type.

n) Address for Correspondence

Compliance Officer
Hemish Purushottam
Company Secretary
Balaji Amines Limited
165/A, 'Balaji Bhavan'
Railway Lines
Solapur - 413001
Email: cs@balajiamines.com

Compliance Certificate from Auditors

Certificate from Auditors of the Company M/s V. Sridhar & Co confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the listing Agreement is annexed herewith

Code of Conduct for the Board & Senior Management Personnel

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

Certificate Regarding Compliance of Conditions of Corporate Governance

The Board of Directors
Balaji Amines Limited, Solapur.

We have examined the compliance of conditions of Corporate Governance by Balaji Amines for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, as required under sub-clause 1(A) of Clause 49 of the Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Sridhar & Co.,
Chartered Accountants

Vemulapati Sridhar
Proprietor
Secunderabad, April 28, 2011

Declaration on Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year ended on 31 March 2011 as envisaged in the Clause 49 of the Listing Agreement with Stock Exchange

Place : Secunderabad
Date : April 28, 2011

A. Prathap Reddy
Managing Director

Auditors' Report

To the Members of Balaji Amines Limited
Solapur.

1. We have audited the attached Balance Sheet of Balaji Amines Limited, as at March 31, 2011, the Profit and Loss account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. The said Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that;
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
 - (iii) The Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of accounts
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the Profit and Loss account, of the Profit for the year ended on that date and
 - c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.


For V. Sridhar & Co.,
Chartered Accountants
FRN No. 006206S

Vemulapati Sridhar
Proprietor
Membership No. 202337
Secunderabad, April 28, 2011

Annexure to Auditors' Report

Referred to in paragraph 3 of our report of even date.

- (i) a. The company is maintaining proper records showing full particulars including quantitative particulars and situation of fixed assets.
- b. The fixed assets of the company have been has physically verified by the management, at reasonable intervals during the year and according to information and explanations given to us no material discrepancies were noticed on such verification.
- c. The Company has not disposed off substantial part of fixed assets during the year.
- (ii) a. The inventory has been physically verified by the management during the year at reasonable intervals.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c. The Company is maintaining proper records of inventory and according to information and explanations given to us no material discrepancies have been noticed on such physical verification.
- (iii) The company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the internal control.
- (v) a. According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. We are of the opinion that each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from public.
- (vii) In our opinion the company has an internal audit system commensurate with its size and nature of business.
- (viii) The Central Government has not prescribed maintenance of cost records to the company.
- (ix) a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. No undisputed amounts in respect of these statutory payments were in arrear as on March 31, 2011 for a period of more than six months from the date they became payable.
- b. The company is in appeal before the Commissioner of Income Tax (Appeals) in respect of disputed tax for the Assessment Years 2007-08 and 2008-09. The amount of tax demand disputed for these two years is Rs. 2.28 Crores as against which the company has paid Rs.0.96 Crores.
- (x) The company does not have any accumulated losses.
- (xi) The company has not defaulted in repayment of dues to financial institution or banks. The Company has not issued debentures.

- 
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other such securities.
 - (xiii) The Company is not a chit fund or a nidhi / mutual fund / society.
 - (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
 - (xv) According to information and explanations given to us the company has not given any guarantees for loans taken by others from banks or financial institutions.
 - (xvi) The term loans have been applied for the purpose for which they have been obtained.
 - (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term assets except permanent working capital.
 - (xix) The company has not issued any debentures.
 - (xx) The company has not raised any monies from public issues in the year under review.
 - (xxi) According to information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For V. Sridhar & Co.

Chartered Accountants
FRN 006206S

Vemulapati Sridhar

Proprietor
Membership No. 202337
Secunderabad, April 28, 2011

CEO / CFO Certification to the Board

(Under Clause 4I & 49(V) of Listing Agreement)

Date: April 28, 2011

We, A. Prathap Reddy, Managing Director and G. Hemanth Reddy, Whole-time Director, responsible for the finance function certify that:

- We have reviewed the financial statements and the cash flow statement for the year 2010-II and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2010-II which are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which We are aware of and the steps to be taken or propose to be taken to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee:
 - Significant changes in internal control over the financial reporting during the year 2010-II.
 - There were no significant changes in accounting policies during the year 2010-II to be disclosed in the notes to the financial statements.
 - There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Place : Secunderabad

Date : April 28, 2011

A. Prathap Reddy
Managing Director

G. Hemanth Reddy
Whole-time Director

Balance Sheet As At 31.03.2011

Particulars	Schedule	As At March 31, 2011		As At March 31, 2010	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders funds					
Share Capital	1		6,48,02,000		6,48,02,000
Reserves and surplus	2		1,07,06,63,227		82,71,96,427
Deferred Tax Liability			33,65,97,411		26,84,95,791
Loan Funds					
Secured Loans	3		1,65,46,99,926		99,68,74,308
			3,12,67,62,564		2,15,73,68,526
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block		2,05,06,83,403		1,57,50,35,944	
Less: Depreciation	4	45,39,64,102		37,18,53,467	
Net block			1,59,67,19,301		12,03,182,477
Capital Work in Progress	5		11,83,86,759		2,35,85,618
Investments	6		8,55,28,200		4,40,28,200
Current Assets, Loans & Advances (a)					
Inventories	7	70,59,75,713		31,99,88,906	
Sundry Debtors	8	73,74,98,688		66,73,10,237	
Cash & Bank Balances	9	9,03,03,881		3,62,05,938	
Other Current Assets	10	66,93,619		96,50,353	
Loans & Advances	11	32,25,28,373		24,94,38,988	
		1,86,30,00,274		1,28,25,94,422	
Less: Current Liabilities & Provisions (b)					
Liabilities	12	41,86,62,529		32,40,68,413	
Provisions	13	11,82,09,441		7,19,53,778	
		53,68,71,970		39,60,22,191	
Net Current Assets (a - b)			1,32,61,28,304		88,65,72,231
Miscellaneous Expenditure					
(to the extent not written off or adjusted)			0		0
TOTAL			3,12,67,62,564		2,15,73,68,526

As per our report of even date

For V. Sridhar & Co.,

Chartered Accountants,
FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor
Membership No. 202337
Secunderabad, April 28, 2011

A. Prathap Reddy

Managing Director

G. Hemanth Reddy

Whole-time Director

Hemish Purushottam

Company Secretary

Profit & Loss Account for the Year Ended March 31, 2011

Particulars	Schedule	For the year ended March 31, 2011		For the year ended March 31, 2010	
		Rupees	Rupees	Rupees	Rupees
I. INCOME					
Sales	14	3,85,04,68,734		2,77,13,98,171	
Less:- Excise Duty		27,95,13,227	3,57,09,55,507	15,24,39,880	2,61,89,58,291
Other Income	15		1,93,14,698		1,45,63,139
Increase / (-) Decrease in stocks	16		22,41,58,206		2,71,95,811
TOTAL			3,81,44,28,411		2,66,07,17,241
II. EXPENDITURE					
Raw Materials consumed	17		2,14,11,18,846		1,46,41,85,167
Manufacturing, Selling & Administrative Expenses	18		92,20,80,364		65,75,28,446
Interest and Finance Charges	19		13,55,82,584		9,70,58,645
Sales Tax \ Value Added Tax			10,32,58,808		6,15,79,971
Depreciation	4		8,26,09,948		6,83,59,793
TOTAL		3,38,46,50,550		2,34,87,12,022	
Balance			42,97,77,861		31,20,05,219
Prior Period Items					
(Excess provision of Income Tax written back)			0		36,39,501
Profit before Tax			42,97,77,861		31,56,44,720
Provision for:-					
Deferred Tax Liability (Originating during the year)		6,81,01,620		5,61,50,070	
Provision for Taxation - Current		9,55,40,000		5,30,00,000	
		16,36,41,620		10,91,50,070	
Profit after tax available for appropriation			26,61,36,241		20,64,94,650
Less:- Appropriations					
a. Transfer to General Reserve		2,66,14,000		2,10,00,000	
b. Proposed Dividend on Equity Shares		1,94,40,600		1,62,00,500	
c. Dividend Distribution Tax		32,28,841	4,92,83,441	27,53,275	3,99,53,775
Balance after appropriations transferred to Reserves & Surplus			21,68,52,800		16,65,40,875
Earning per share - Basic Rupees (Profit after Tax / No. of Equity Shares)			8.21		31.87
Notes forming part of accounts	20				

As per our report of even date

For V. Sridhar & Co.,

Chartered Accountants,

FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor

Membership No. 202337

Secunderabad, April 28, 2011

A. Prathap Reddy

Managing Director

G. Hemanth Reddy

Whole-time Director

Hemish Purushottam

Company Secretary

Schedules to the Balance Sheet

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 1		
SHARE CAPITAL		
Authorised 4,50,00,000 equity shares of Rupees Two each (Previous year 90 lac equity shares of Rupees Ten each)	9,00,00,000	9,00,00,000
Issued Subscribed and Paid up 3,24,01,000 Equity shares of Rupees Two each fully paid up (Previous year 64,80,200 equity shares of Rupees Ten each)	6,48,02,000	6,48,02,000
Total	6,48,02,000	6,48,02,000
A share of the face value of Rs. 10 has been sub divided into five shares of Rs.2 each vide the resolution of the members passed under section 94 of the Companies Act 1956 at the Annual General Meeting held on 08.09.2010.		
Schedule 2		
RESERVES & SURPLUS		
Balance in Profit & Loss brought forward	68,09,14,922	51,43,74,047
Add current year profit	21,68,52,800	16,65,40,875
Total in Profit & Loss Account	89,77,67,722	68,09,14,922
State Subsidy	30,00,000	30,00,000
Share Premium Account	5,69,61,000	5,69,61,000
Capital Reserves (profit on re-issue of forfeited shares)	6,20,505	6,20,505
General Reserve	11,23,14,000	8,57,00,000
Total	1,07,06,63,227	82,71,96,427
Schedule 3		
SECURED LOANS		
State Bank of Hyderabad	67,82,87,536	38,34,25,119
State Bank of India	3,15,73,498	4,55,98,014
[Term Loans Secured by first charge on fixed assets of the company, both present and future and mortgage by deposit of the land title deeds]		
Bank of Baroda	5,98,88,049	2,50,00,000
{Term Loan Secured by first charge on Wind Electric Generator}		
Bank of Baroda (Hotel Division)	4,89,75,336	0
(Term Loan Secured by first charge on Land & Building of Hotel Project)		
State Bank of Hyderabad	42,09,25,357	28,58,11,521
State Bank of India	34,91,60,340	21,39,65,789
ING Vysya Bank Ltd.	6,58,89,810	4,30,73,865
[Towards working capital limits, secured by way of hypothecation of stocks and book debts and second charge on all fixed assets of the company, both present and future]		
The above borrowings are also supported by personal guarantee of directors of the company Viz: Sri A. Prathap Reddy, Sri N. Rajeshwar Reddy, Sri D. Ram Reddy and Sri G. Hemanth Reddy.		
Total	1,65,46,99,926	99,68,74,308

Schedules to the Balance Sheet

Schedule 4 FIXED ASSETS

Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 31.03.2010	Additions	As at 31.03.2011	As at 31.03.2010	For the Period	Deletion	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011
Land	6,42,21,349	27,32,426	6,69,53,775	0	0	0	0	6,42,21,349	6,69,53,775
Buildings	18,84,67,684	3,95,63,541	22,80,31,225	2,69,66,017	75,31,589	0	3,44,97,606	16,15,01,667	19,35,33,619
Wind Electric Generator	11,33,15,434	8,50,32,512	19,83,47,946	2,30,96,695	82,33,281	0	3,13,29,976	9,02,18,739	16,70,17,970
Plant & Machinery	85,93,33,290	33,28,61,789	1,18,96,08,412	28,02,07,075	4,71,61,639	4,99,31,4	32,68,69,400	57,91,26,215	86,27,39,012
Plant & Machinery R & D	29,84,87,502	1,42,558	29,86,30,060	2,76,16,788	1,57,67,039	0	4,33,83,827	27,08,70,714	25,52,46,233
Furniture & Fixtures	62,43,796	97,948	63,41,744	18,06,864	3,99,552	0	22,06,416	44,36,932	41,35,328
Office Equipment	67,65,545	8,58,641	76,24,186	27,78,473	4,42,259	0	32,20,732	39,87,072	44,03,454
Vehicle	1,73,31,928	71,82,675	2,45,14,603	51,64,285	17,77,133	0	69,41,418	1,21,67,643	1,75,73,185
Others	2,08,69,416	97,62,035	3,06,31,451	42,17,271	12,97,458	0	55,14,729	1,66,52,145	2,51,16,722
Total	1,57,50,35,944	47,82,34,125	2,05,06,83,402	37,18,53,468	8,26,09,950	4,99,314	45,39,64,104	1,20,31,82,476	1,59,67,19,298

Schedules to the Balance Sheet

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 5		
CAPITAL WORK IN PROGRESS		
Amines Division	5,33,25,034	2,35,85,618
Hotel Division	6,50,61,725	0
Total	11,83,86,759	2,35,85,618
Schedule 6		
INVESTMENTS		
In Subsidiaries		
12,99,300 equity shares of Rs. 10/- each fully paid up in Bhagyanagar Chemicals Ltd. Amount to 99.95% of the total capital of the company. The investment is unquoted and the same is treated at cost of acquisition	70,78,200	70,78,200
Other Investment		
500 equity shares of Rs. 100/- each fully paid up in Solapur Janata Sahakari Bank - unquoted	50,000	50,000
Balaji Greentech Products Ltd. (2940000 Equity Shares of Rs. 10/- each)	2,94,00,000	2,94,00,000
(4000000 10% Cumulative redeemable preference shares of Rs. 10/- each)	4,00,00,000	0
Balaji Sourcings Pvt. Ltd. (900000 Equity Shares of Rs. 10/- each amounts to 30% of equity of the company)	90,00,000	75,00,000
Total	8,55,28,200	4,40,28,200
Schedule 7		
INVENTORIES		
(As verified, valued and certified by the Management)		
Finished Goods	26,68,28,352	9,88,53,776
Stock in process / plant	9,06,58,627	3,44,74,997
Raw Materials	27,32,23,123	11,68,21,622
Stock at Bonded warehouse / Transit	3,06,76,804	4,51,71,276
Stores and Spares	2,85,47,736	1,89,26,763
Others - Fuel etc.	1,60,41,071	57,40,472
Total	70,59,75,713	31,99,88,906
Schedule 8		
SUNDRY DEBTORS		
(Unsecured; considered good)		
Over Six months	39,76,777	2,15,49,604
Others	73,35,21,911	64,57,60,633
Total	73,74,98,688	66,73,10,237

Schedules to the Balance Sheet

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 9		
CASH AND BANK BALANCES		
Cash on hand	38,240	1,14,778
Cash with schedule banks –		
In current accounts	4,79,188	7,56,355
In margin money account	8,97,86,453	3,53,34,805
Total	9,03,03,881	3,62,05,938
Schedule 10		
OTHER CURRENT ASSETS		
Deposit with Government Departments	63,07,030	85,87,030
Other Deposits	3,86,589	10,63,323
Total	66,93,619	96,50,353
Schedule 11		
LOANS & ADVANCES		
(Unsecured: considered good)		
Advances to employees	12,65,174	13,25,053
Advances recoverable in cash or in kind or for value to be received	14,97,23,608	9,01,04,222
Advances to suppliers	7,83,40,254	10,64,31,459
Advance Taxes	8,54,79,614	4,37,41,839
Advance to Subsidiary Co.	77,19,723	78,36,415
Total	32,25,28,373	24,94,38,988
Schedule 12		
CURRENT LIABILITIES		
Creditors for raw materials	33,07,22,159	27,21,94,916
Advances from Customers	38,15,673	37,48,745
Creditors for expenses	7,76,53,071	4,55,64,584
Retention Money from Machinery Suppliers	64,71,626	25,60,168
Total	41,86,62,529	32,40,68,413
Schedule 13		
PROVISIONS		
Income Tax	9,55,40,000	5,30,00,000
Proposed Dividend	1,94,40,600	1,62,00,500
Dividend Distribution Tax	32,28,841	27,53,278
Total	11,82,09,441	7,19,53,778
Schedule 14		
SALES		
Aliphatic Amines, Speciality Chemicals, Derivatives & Export Benefits	3,85,04,68,734	2,77,13,98,171
Total	3,85,04,68,734	2,77,13,98,171

Schedules to the Balance Sheet

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 15		
OTHER INCOME		
Interest	34,69,172	14,38,234
Insurance Claim	14,88,768	1,34,708
Income from WEG	1,43,38,880	1,29,29,657
Misc. Income	17,878	60,540
Total	1,93,14,698	1,45,63,139
Schedule 16		
INCREASE / (-) DECREASE IN STOCK		
Opening Stock		
Finished goods	9,88,53,776	6,73,22,081
Stock in process / plant	3,44,74,997	3,88,10,881
Total	13,33,28,773	10,61,32,962
Closing stock		
Finished goods	26,68,28,352	9,88,53,776
Stock in process / plant	9,06,58,627	3,44,74,997
Total	35,74,86,979	13,33,28,773
Increase / Decrease in Stock	22,41,58,206	2,71,95,811
Schedule 17		
RAW MATERIAL CONSUMED		
Opening Stock	11,68,21,622	17,46,24,826
Add: Purchases	2,29,75,20,347	1,40,63,81,963
Sub Total	2,41,43,41,969	1,58,10,06,789
Less: Closing stock	27,32,23,123	11,68,21,622
Consumed	2,14,11,18,846	1,46,41,85,167

Schedules to the Balance Sheet

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 18		
MANUFACTURING, SELLING & ADMINISTRATION EXPENSES		
Salaries, Wages & Other employee benefits	7,63,63,418	5,91,79,848
Bonus	43,51,554	37,10,143
Gratuity and provident fund (Including Directors)	69,51,274	51,98,099
Employees Group Insurance	32,36,692	29,81,703
Directors Group Insurance	84,231	62,821
Remuneration to Directors including allowances	97,50,000	52,50,000
Commission to Directors	3,71,10,666	2,54,26,046
Stores & Spares & Packing Materials	16,40,30,165	11,03,05,792
Power & Fuel	39,58,14,930	28,48,72,625
Repairs & Maintenance - Plant & Machinery	1,04,28,061	82,86,829
Repairs & Maintenance - Wind Electric Generator	18,89,075	3,06,461
Rent, Rates & Taxes	2,24,60,962	36,20,474
Insurance	50,06,105	32,32,223
Carriage Outward	10,02,25,657	7,60,89,849
Others	8,34,52,574	6,83,62,683
Remuneration to Auditors		
As auditors	7,50,000	5,30,000
Towards certification and other services	1,75,000	1,12,850
Total	92,20,80,364	65,75,28,446
Schedule 19		
INTEREST & FINANCE CHARGES		
Interest	12,27,53,018	8,51,71,734
Bank Charges	98,53,733	93,68,861
Processing charges	29,75,833	25,18,050
Total	13,55,82,584	9,70,58,645

Notes on Accounts

Schedule 20

1. Significant Accounting Policies

(A) Accounting convention: The accompanying financial statements have been prepared in accordance with historical cost convention.

(B) Fixed Assets and Depreciation: Fixed assets are valued at cost less depreciation provided on straight line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. In respect of additions made during the year, depreciation is provided on pro-rata basis.

(C) Investments: Investments are stated at cost.

(D) Inventories:

- a) Finished goods including stock of R & D products are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on Absorption costing basis.
- b) Stock in process/plant is valued at cost.
- c) Stock of raw materials, Stores and Spares and packing materials are valued at cost.

(E) Staff Benefits:

- a) Provident Fund Contributions are accounted on accrual basis.
- b) The company has taken a policy of Group Gratuity Scheme of Life Insurance Corporation of India. All contributions made are charged to revenue.

(F) Research and Development: Revenue expenditure on research and development is charged to profit and loss account in the year in which it is incurred. Capital expenditure on research and development is treated at par with fixed assets and depreciated as such.

(G) Deferred Taxation: Accounting treatment in respect of deferred taxation is in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

(H) Sales Tax Benefits: Shortfall/increase in sales tax benefits accruing to the company are accounted for in the year in which the final assessment by the concerned authorities is completed.

(I) Borrowing Costs: Costs in respect of borrowings for the purpose of expansion / additional fixed investments including R & D projects are capitalized to such investments.

(J) Foreign Currency Transactions: Foreign Exchange Transactions are recorded at pre-determined standard exchange rates which are reviewed periodically. Gains or losses arising out of such periodic revisions of such standard rates and also on realization are accounted for accordingly.

(K) Segment Reporting: The company's Hotel Division at Solapur is under construction and is yet to start commercial operations. Segment reporting in respect of these streams of revenues and investments will be made from the year of commencement of operations of this division. The amount invested in construction so far is included in Capital Work in Progress.

2. Contingent Liabilities: Disputed Income Tax Liability Rs. 1.52 Crs. for AY 2007-08. The Company has preferred an appeal against the demand. The amounts paid against the disputed demand are included in Loans & Advances.

3. Computation of profits for the purpose of commission payable to Directors under section 198 of the Companies Act, 1956

Particulars	Rupees	Rupees
Salaries and allowances to Directors		1,06,86,000
Commission		3,71,10,666
Total		4,77,96,666
Profit Before Tax as per Profit and Loss Account		42,97,77,861
Add: a. Remuneration to Directors as above	4,77,96,666	
b. Depreciation debited to profit and loss account	8,26,09,948	
c. Loss on Sale of Asset	3,92,130	
Total		13,07,98,744
Less: a. Depreciation under section 350	8,26,09,948	8,26,09,948
Profit for the purpose of commission		47,79,66,657
Particulars	Current Year Rupees	Previous Year Rupees

4. Remuneration to Directors

a) A. Prathap Reddy, Managing Director		
-- Salary	24,00,000	12,00,000
-- Allowances	8,88,000	16,06,400
b) N. Rajeshwar Reddy, Executive Director		
-- Salary	18,00,000	10,20,000
-- Allowances	6,66,000	15,39,800
c) D. Ram Reddy, Commercial Director		
-- Salary	18,00,000	10,20,000
-- Allowances	6,66,000	15,39,800
d) G. Hemanth Reddy – Director – Finance		
-- Salary	18,00,000	9,60,000
-- Allowances	6,66,000	3,55,200

5. Auditors Remuneration

(Exclusive of applicable taxes)		
As auditors	7,50,000	5,42,850
Towards Income tax matters	1,75,000	1,00,000

6. Quantitative particulars

a) Licensed Capacity (TPA)	-	-
[The company's products do not require any licenses hence not applicable]		
b) Installed Capacity (TPA)		
[Being technical in nature certified by management and accepted by Auditors]		
Aliphatic Amines and Derivatives of Amines	70,000	55,000
Natural Products [Research & Development]		
c) Production (MT)		
Aliphatic Amines and Derivatives of Amines	53,176.262	43,809.228

Particulars	Current Year		Previous Year	
	Quantity	Value (Rupees)	Quantity	Value (Rupees)
7. Sales (MT)				
Aliphatic Amines and Derivatives (Excluding captive consumption and transfer to reprocess)	37,734.606	385,04,68,734	35,100.248	277,13,98,171
3. Closing Stock				
Aliphatic Amines and Derivatives	2,074.115	26,68,28,352	1,026.011	9,88,53,776
4. Raw Material Consumption				
1. Methyl / Ethyl alcohols	32,664.257	64,09,17,374	28,998.861	50,29,72,340
2. Industrial gases	1,0219.255	18,79,31,133	9,210.090	15,10,67,578
3. Others		131,22,70,339		96,12,12,827

10. Foreign Exchange Earnings and Outgo

Current Year					
Earnings	US Dollars	10224547.52	equivalent to INR	46,33,24,784	in Exports
	Euros	3577165.06	equivalent to INR	21,30,28,715	in Exports
	GBP	352787.88	equivalent to INR	2,54,02,835	in Exports
Previous Year					
Earnings	US Dollars	4585878.12	equivalent to INR	21,65,35,880	in Exports
	Euros	5618031.76	equivalent to INR	37,58,99,275	in Exports
	GBP	271769.36	equivalent to INR	2,02,29,201	in Exports
Current Year					
Outgo	US Dollars	15253.20	equivalent to INR	6,99,263	For commission toward sales promotion
	Euros	1332.80	equivalent to INR	81,567	
	US Dollars	239.00	equivalent to INR	10,875	For Regn. & Renewal exp.
	Euros	302025.00	equivalent to INR	1,86,45,850	For Regn. & Renewal exp.
	US Dollars	6150.00	equivalent to INR	2,76,105	For traveling expenses
	Euros	1655.00	equivalent to INR	1,09,079	For traveling expenses
	Euros	25033.67	equivalent to INR	15,43,164	Towards Exhibition charges
	US Dollars	255000.00	equivalent to INR	1,17,32,100	For consultancy Charges
	US Dollars	22866.00	equivalent to INR	10,71,190	For Import of Machinery
	US Dollars	25798463.88	equivalent to INR	1,18,08,71,870	for import of Raw Materials
Previous Year					
Outgo	US Dollars	15094.13	equivalent to INR	7,24,401	For commission toward sales promotion
	Euros	7988.00	equivalent to INR	5,38,242	
	US Dollars	229.00	equivalent to INR	10,552	For Regn. & Renewal exp.
	Euros	9000.00	equivalent to INR	5,98,680	For Regn. & Renewal exp.
	US Dollars	44393.00	equivalent to INR	21,25,637	For traveling expenses
	Euros	3900.00	equivalent to INR	2,71,053	For traveling expenses
	Euros	22969.04	equivalent to INR	14,97,306	Towards Exhibition charges
	US Dollars	47700.00	equivalent to INR	21,73,860	For consultancy Charges
	US Dollars	135000.00	equivalent to INR	62,37,000	For Import of Machinery
	US Dollars	11817653.17	equivalent to INR	56,61,56,111	for import of Raw Materials
	Euros	116750.00	equivalent to INR	81,23,465	

Name of the related party	Bhagyanagar Chemicals Limited	Balaji Sourcing Pvt. Limited
Relationship	A Subsidiary company	Company in which the Enterprise is substantially interested, by holding 30% of shares in the total paid up share capital.
Nature of transaction	a. Lease rentals b. Loan given	a. Purchases b. Sales
Transaction value	a. Rs. 1,20,000 b. Rs. 77,19,725	a. Rs. 0.00 b. Rs. 10,52,32,169
Balance outstanding – Receivable / (-) Payable as on Balance Sheet date	a. (-) Rs. Nil b. Rs. 77,19,725	a. Rs. Nil b. Rs. 3,74,84,240
Amount written off / back	Nil	Nil

Signatories to schedules 'I' to '20'

As per our report of even date

For V. Sridhar & Co.,

Chartered Accountants,

FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor

Membership No. 202337

Secunderabad, April 28, 2011

A. Prathap Reddy

Managing Director

G. Hemanth Reddy

Whole-time Director

Hemish Purushottam

Company Secretary

Information of SSI Unit

Sr. No.	Name of the supplier	SSI No.	Outstanding Balance As On 31/03/2011
1	Madhuban Drums & Barrels	260102788	0
2	Universal Containers Pvt. Ltd.	110703197	125307
3	Technostar Engineering Pvt. Ltd.	112482409	407515
4	K.T. Plastic Industries	600101743	792788
5	Kapila Industries	60001100114	137207
6	Khetan Plastopack Pvt. Ltd.	6001002317	308170
7	Royal Fiber Containers Industries	110418647	9844
8	Money Packers	240251100742	0
9	Navkar Fittings & Forgings Pvt. Ltd.	111281141	0
10	Chembond Chemicals Ltd.	270211200753	73748
11	Metriplex Pumps Pvt. Ltd.	330121103576	0
12	Eureka Engineering Enterprises	270251101469	0
13	S.S. Enterprises	270251101041	1013
14	G.P.C. Flow Instruments (P) Ltd.	12259470	0
15	Super Industries	112302390	188038
16	Laxmi Hydraulics Pvt. Ltd.	270301200064	73337
17	Jaysons Chemical Industries	110725420	0
18	Borolab Scientific Glass (P) Ltd.	41916676	0
19	Sungov Engineering Pvt. Ltd.	330011200369	0
20	Ecomak Environmental & Industrial Systems Pvt.Ltd.	270251100931	0
21	Sudhir Switchgears Pvt. Ltd.	270211202299	28118
22	Nav Gases & Chemicals	111915153	0
23	Instrumentation Engineers Pvt. Ltd.	28/006/12/00307	0

Cash Flow Statement for the Year 2010-2011

Rupees in Lakhs

Particulars	Current Year	Previous Year
Particulars		
A. Cash flows from operating activities		
Profit before interest and tax	5,653.59	4,127.04
Other income considered	(193.15)	(145.63)
Depreciation	826.10	683.60
Non Cash Charges (Loss on Sale of Asset)	3.92	--
Increase in Current Liabilities	947.11	732.44
Increase (-)/ Decrease (+) in Inventories	(3,859.87)	110.04
Increase in Debtors	(701.89)	(822.15)
Increase in Other Current Assets, Loans & Advances	(702.49)	(13,60.70)
Less: Income tax including dividend distribution tax	(557.53)	(347.41)
Cash flow from Operating Activities	1415.79	2,977.23
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(5,730.35)	(1,676.87)
Sale of Fixed Asset	16.95	
Long term investments made	(415.00)	(10.79)
Other Income	193.15	145.63
Cash flow from Investing activities	(5,935.25)	(1,542.03)
C. Cash Flow from Financing Activities		
Secured loans	6,578.26	(209.82)
Interest paid	(1,355.82)	(970.59)
Dividend	(162.00)	(129.60)
Cash Flow from Financing Activities	5,060.44	(1,310.01)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	540.98	125.19
Cash and cash equivalents (beginning of the year)	362.06	236.87
Cash and cash equivalents (end of the year)	903.04	362.06
Increase in cash and cash equivalents (closing minus opening balances)	540.98	125.19

As per our report of even date

For V. Sridhar & Co.,

Chartered Accountants,

FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor

Membership No. 202337

Secunderabad, April 28, 2011

A. Prathap Reddy

Managing Director

G. Hemanth Reddy

Whole-time Director

Hemish Purushottam

Company Secretary

Balance Sheet Extract and Company's General Profile as per Part IV of Schedule VI of the Companies Act, 1956

i. Registration Details

Registration Number: II-49387 State code II
Balance Sheet Date: 31-3-2011

ii. Capital raised during the year (Amount in Rupees Thousands)

Public issue Nil Rights Issue Nil
Bonus issue Nil Private Placement Nil

Position of the Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 3,126,762.57 Total Assets 3,126,762.57

Sources of Funds

Paid up capital 64,802.00 Reserves and Surplus 1,070,663.23
Secured loans 1,654,699.93 Unsecured Loans 0
Deferred tax liability 336,597.41 Share application money 0

Application of funds

Net Fixed Assets 1,596,719.30 Capital work-in-progress 118,386.76
Net Current Assets 1,326,128.31 Investments 85,528.20
Deferred tax assets 0 Miscellaneous Expenditure 0
Accumulated Losses 0

Performance of the Company (Amount in Rupees Thousands)

Turnover 3,814,428.41 Total expenditure 3,384,650.55
(+) Profit / (-) Loss Before Tax (+) 429,777.86 Profit / (-) Loss After Tax 266,136.24
Earning per share (Rupees) 8.21 Dividend 19,440.60

Generic Name of three principal products or services of the company

Item Code 292 III
Product description Methyl Amines

Item Code 292 III
Production description Ethyl Amines

Item Code 292 III
Production description Derivatives

As per our report of even date

For V. Sridhar & Co.,
Chartered Accountants,
FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Membership No. 202337
Secunderabad, April 28, 2011

A. Prathap Reddy
Managing Director

G. Hemanth Reddy
Whole-time Director

Hemish Purushottam
Company Secretary

Auditors' Report

To the Members of Balaji Amines Limited
Solapur.

1. We have audited the attached Consolidated Balance Sheet of M/s. Balaji Amines Limited, Balaji Amines Limited, and its subsidiary Bhagyanagar Chemicals Limited as at March 31, 2011, the Consolidated Profit and Loss account and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the management of Balaji Amines Limited in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements". And other applicable standards issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanations given to us, the said Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of Balaji Amines Limited and its subsidiary Bhagyanagar Chemicals Limited as at March 31, 2011;
 - b) in the case of the Consolidated Profit and Loss account, of the Profit for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

For V. Sridhar & Co.,
Chartered Accountants
FRN No. 006206S

Vemulapati Sridhar
Proprietor
Membership No. 202337
Secunderabad, April 28, 2011

Consolidated Balance Sheet As At 31.03.2011

Particulars	Schedule	As At March 31, 2011		As At March 31, 2010	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
Shareholders funds					
Share Capital	1		6,48,02,000		6,48,02,000
Reserves and surplus	2		1,05,99,78,090		81,67,53,119
Deferred Tax Liability			33,65,97,411		26,84,95,791
Loan Funds					
Secured Loans	3		1,65,46,99,926		99,68,74,308
			3,11,60,77,427		2,14,69,25,218
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block		2,07,16,22,581		1,59,62,17,523	
Less: Depreciation	4	47,09,92,077		38,87,81,869	
Net block			1,60,06,30,504		1,20,74,35,654
Capital Work in Progress	5		11,83,86,759		2,35,85,618
Investments	6		7,85,50,000		3,70,50,000
Current Assets, Loans & Advances (a)					
Inventories	7	70,59,75,713		31,99,88,906	
Sundry Debtors	8	73,74,98,685		66,73,10,237	
Cash & Bank Balances	9	9,03,08,962		3,62,11,019	
Other Current Assets	10	66,93,619		96,50,353	
Loans & Advances	11	31,49,54,790		24,17,48,711	
		1,85,54,31,769		1,27,49,09,226	
Less: Current Liabilities & Provisions (b)					
Liabilities	12	41,86,95,619		32,41,01,502	
Provisions	13	11,82,25,986		7,19,53,778	
		53,69,21,605		39,60,55,280	
Net Current Assets (a - b)			1,31,85,10,164		87,88,53,946
Miscellaneous Expenditure (to the extent not written off or adjusted)			0		
TOTAL			3,11,60,77,427		2,14,69,25,218

As per our report of even date
For V. Sridhar & Co.,
Chartered Accountants,
FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar
Proprietor
Membership No. 202337
Secunderabad, April 28, 2011

A. Prathap Reddy
Managing Director

G. Hemanth Reddy
Whole-time Director

Hemish Purushottam
Company Secretary

Consolidated Profit & Loss Account for the Year Ended March 31, 2011

Particulars	Schedule	For the year ended March 31, 2011		For the year ended March 31, 2010	
		Rupees	Rupees	Rupees	Rupees
I. INCOME					
Sales	14	3,85,04,68,734		2,77,13,98,171	
Less:- Excise Duty		27,95,13,227	3,57,09,55,507	15,24,39,880	2,61,89,58,291
Other Income	15		1,93,14,698		1,45,63,139
Increase / (-) Decrease in stocks	16		22,41,58,206		2,71,95,811
TOTAL			3,81,44,28,411		2,66,07,17,241
II. EXPENDITURE					
Raw Materials consumed	17		2,14,11,18,846		1,46,41,85,167
Manufacturing, Selling & Administrative Expenses	18		92,19,80,218		65,74,24,991
Interest and Finance Charges	19		13,55,82,584		9,70,58,645
Sales Tax \ Value Added Tax			10,32,58,808		6,15,79,971
Depreciation	4		8,29,51,923		6,87,45,603
Goodwill Written Off			0		20,42,505
TOTAL		3,38,48,92,379		2,35,10,36,882	
Balance			42,95,36,032		30,96,80,359
Prior Period Items					
(Excess provision of Income Tax written back)			0		36,39,501
Profit before Tax			42,95,36,032		31,33,19,860
Provision for:-					
Deferred Tax Liability (Originating during the year)			6,81,01,620		5,61,50,070
Provision for Taxation - Current		9,55,40,000		5,30,00,000	
TOTAL			16,36,41,620		10,91,50,070
Profit after tax available for appropriation			26,58,94,412		20,41,69,790
Less:- Appropriations					
a. Transfer to General Reserve		2,66,14,000		2,10,00,000	
b. Proposed Dividend on Equity Shares		1,94,40,600		1,62,00,500	
c. Dividend Distribution Tax		32,28,841	4,92,83,441	27,53,275	3,99,53,775
Balance after appropriations transferred to Reserves & Surplus			21,66,10,971		16,42,16,015
Balance after minority Interest in subsidiary			21,66,10,971		16,42,16,015
Balance in profit & loss a/c brought forward			67,04,71,614		50,62,55,599
Balance carried to Balance Sheet			88,70,82,585		67,04,71,614
Earning per share - Basic Rupees (Profit after Tax / No. of Equity Shares)			8.21		25.34
Notes forming part of accounts	20				

As per our report of even date

For V. Sridhar & Co.,

Chartered Accountants,
FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor
Membership No. 202337
Secunderabad, April 28, 2011

A. Prathap Reddy

Managing Director

G. Hemanth Reddy

Whole-time Director

Hemish Purushottam

Company Secretary

Schedules forming part of Consolidated Accounts

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 1		
SHARE CAPITAL		
Authorised 4,50,00,000 equity shares of Rupees Two each (Previous year 90 lac equity shares of Rupees Ten each)	9,00,00,000	9,00,00,000
Issued Subscribed and Paid up 3,24,01,000 Equity shares of Rupees Two each fully paid up (Previous year 64,80,200 equity shares of Rupees Ten each)	6,48,02,000	6,48,02,000
Total	6,48,02,000	6,48,02,000
A share of the face value of Rs. 10 has been sub divided into five shares of Rs.2 each vide the resolution of the members passed under section 94 of the Companies Act 1956 at the Annual General Meeting held on 08.09.2010.		
Schedule 2		
RESERVES & SURPLUS		
Balance in Profit & Loss brought forward	67,04,71,614	50,62,55,599
Add current year profit	21,66,10,971	16,42,16,015
Total in Profit & Loss Account	88,70,82,585	67,04,71,614
State Subsidy	30,00,000	30,00,000
Share Premium Account	5,69,61,000	5,69,61,000
Capital Reserves (profit on re-issue of forfeited shares)	6,20,505	6,20,505
General Reserve	11,23,14,000	8,57,00,000
Total	1,05,99,78,090	81,67,53,119
Schedule 3		
SECURED LOANS		
State Bank of Hyderabad	67,82,87,536	38,34,25,119
State Bank of India	3,15,73,498	4,55,98,014
[Term Loans Secured by first charge on fixed assets of the company, both present and future and mortgage by deposit of the land title deeds]		
Bank of Baroda	5,98,88,049	2,50,00,000
{Term Loan Secured by first charge on Wind Electric Generator}		
Bank of Baroda (Hotel Division)	4,89,75,336	0
(Term Loan Secured by first charge on Land & Building of Hotel Project)		
State Bank of Hyderabad	42,09,25,357	28,58,11,521
State Bank of India	34,91,60,340	21,39,65,789
ING Vysa Bank Ltd.	6,58,89,810	4,30,73,865
[Towards working capital limits, secured by way of hypothecation of stocks and book debts and second charge on all fixed assets of the company, both present and future]		
The above borrowings are also supported by personal guarantee of directors of the company Viz: Sri A. Prathap Reddy, Sri N. Rajeshwar Reddy, Sri D. Ram Reddy and Sri G. Hemanth Reddy.		
Total	1,65,46,99,926	99,68,74,308

Schedules forming part of Consolidated Accounts

Schedule 4 FIXED ASSETS

Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2010	Additions	Deletion	As at 31.03.2011	As at 31.03.2010	For the Period	Deletion	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011
Land	6,46,54,746	27,32,426	0	6,73,87,172	0	0	0	0	6,46,54,746	6,73,87,172
Buildings	19,30,31,579	395,63,541	0	23,25,95,120	2,93,95,682	76,38,301	0	3,70,33,983	16,36,35,897	19,55,61,137
Wind Electric Generator	11,33,15,434	8,50,32,512	0	19,83,47,946	2,30,96,695	82,33,281	0	3,13,29,976	9,02,18,739	16,70,17,970
Plant & Machinery	87,48,35,283	33,28,61,789	25,86,667	1,20,51,10,405	29,40,71,908	4,73,89,368	4,99,31,4	34,09,61,962	58,07,63,375	86,41,48,443
Plant & Machinery R & D	29,84,87,502	1,42,558	0	29,86,30,060	2,76,16,788	1,57,67,039	0	4,33,83,827	27,08,70,714	25,52,46,233
Furniture & Fixtures	63,15,241	97,948	0	64,13,189	18,67,448	4,01,518	0	22,68,966	44,47,793	41,44,223
Office Equipment	68,04,388	8,58,641	0	76,63,029	28,09,011	4,43,762	0	32,52,773	39,95,377	44,10,256
Vehicle	1,73,31,928	71,82,675	0	2,45,14,603	51,64,285	17,77,133	0	69,41,418	1,21,67,643	1,75,73,185
Others	2,11,99,022	97,62,035	0	3,09,61,057	45,17,652	13,01,523	0	58,19,175	1,66,81,370	2,51,41,882
Total	15,95,97,123	47,82,34,125	25,86,667	2,07,16,22,581	38,85,39,469	8,29,51,925	4,99,314	47,09,92,080	1,20,74,35,654	1,60,06,30,501

Schedules forming part of Consolidated Accounts

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 5		
CAPITAL WORK IN PROGRESS		
Amines Division	5,33,25,034	2,35,85,618
Hotel Division	65061725	0
Total	11,83,86,759	2,35,85,618
Schedule 6		
INVESTMENTS		
In Subsidiaries		
1000 Shares un quoted Rs. 100/- each fully paid up in progressive effluent treatment plant Ltd.	1,00,000	1,00,000
Other Investment		
500 equity shares of Rs. 100/- each fully paid up in Solapur Janata Sahakari Bank - unquoted	50,000	50,000
Balaji Greentech Products Ltd.		
(2940000 Equity Shares of Rs. 10/- each)	2,94,00,000	2,94,00,000
(4000000 10% Cumulative redeemable preference shares of Rs. 10/- each)	4,00,00,000	0
Balaji Sourcings Pvt. Ltd.		
(900000 Equity Shares of Rs. 10/- each amounts to 30% of equity of the company)	90,00,000	75,00,000
Total	7,85,50,000	3,70,50,000
Schedule 7		
INVENTORIES		
(As verified, valued and certified by the Management)		
Finished Goods	26,68,28,352	9,88,53,776
Stock in process / plant	9,06,58,627	3,44,74,997
Raw Materials	27,32,23,123	11,68,21,622
Stock at Bonded warehouse / Transit	3,06,76,804	4,51,71,276
Stores and Spares	2,85,47,736	1,89,26,763
Others - Fuel etc.	1,60,41,071	57,40,472
Total	70,59,75,713	31,99,88,906
Schedule 8		
SUNDRY DEBTORS		
(Unsecured; considered good)		
Over Six months	39,76,777	2,15,49,604
Others	73,35,21,908	64,57,60,633
Total	73,74,98,685	66,73,10,237

Schedules forming part of Consolidated Accounts

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 9		
CASH AND BANK BALANCES		
Cash on hand	38,240	1,14,778
Cash with schedule banks – In current accounts	4,84,269	7,61,436
In margin money account	8,97,86,453	3,53,34,805
Total	9,03,08,962	3,62,11,019
Schedule 10		
OTHER CURRENT ASSETS		
Deposit with Government Departments	63,07,030	85,87,030
Other Deposits	3,86,589	10,63,323
Total	66,93,619	96,50,353
Schedule 11		
LOANS & ADVANCES		
(Unsecured: considered good)		
Advances to employees	12,65,174	13,25,053
Advances recoverable in cash or in kind or for value to be received	14,97,23,608	9,02,50,360
Advances to suppliers	7,84,86,392	10,64,31,459
Advance Taxes	8,54,79,616	4,37,41,839
Total	31,49,54,790	2,41,74,871
Schedule 12		
CURRENT LIABILITIES		
Creditors for raw materials	33,07,22,159	27,21,94,916
Advances from Customers	38,15,673	37,48,745
Creditors for expenses	7,77,02,706	4,55,97,673
Retention Money from Machinery Suppliers	64,71,626	25,60,168
Total	41,87,12,164	32,41,01,502
Schedule 13		
PROVISIONS		
Income Tax	9,55,40,000	5,30,00,000
Proposed Dividend	1,94,40,600	1,62,00,500
Dividend Distribution Tax	32,28,841	27,53,278
Total	11,82,09,441	7,19,53,778
Schedule 14		
SALES		
Aliphatic Amines, Speciality Chemicals, Derivatives & Export Benefits	3,85,04,68,734	2,77,13,98,171
Total	3,85,04,68,734	2,77,13,98,171

Schedules forming part of Consolidated Accounts

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 15		
OTHER INCOME		
Interest	34,69,172	14,38,234
Insurance Claim	14,88,768	1,34,708
Income from WEG	1,43,38,880	1,29,29,657
Misc. Income	17,878	60,540
Total	1,93,14,698	1,45,63,139
Schedule 16		
INCREASE / (-) DECREASE IN STOCK		
Opening Stock		
Finished goods	9,88,53,776	6,73,22,081
Stock in process / plant	3,44,74,997	3,88,10,881
Total	13,33,28,773	10,61,32,962
Closing stock		
Finished goods	26,68,28,352	9,88,53,776
Stock in process / plant	9,06,58,627	3,44,74,997
Total	35,74,86,979	13,33,28,773
Increase / Decrease in Stock	22,41,58,206	2,71,95,811
Schedule 17		
RAW MATERIAL CONSUMED		
Opening Stock	11,68,21,622	17,46,24,826
Add: Purchases	2,29,75,20,347	1,40,63,81,963
Sub Total	2,41,43,41,969	1,58,10,06,789
Less: Closing stock	27,32,23,123	11,68,21,622
Consumed	2,14,11,18,846	1,46,41,85,167

Schedules forming part of Consolidated Accounts

Particulars	As At March 31, 2011	As At March 31, 2010
	Rupees	Rupees
Schedule 18		
MANUFACTURING, SELLING & ADMINISTRATION EXPENSES		
Salaries, Wages & Other employee benefits	7,63,63,418	5,91,79,848
Bonus	43,51,554	37,10,143
Gratuity and provident fund (Including Directors)	69,51,274	51,98,099
Employees Group Insurance	32,36,692	29,81,703
Directors Group Insurance	84,231	62,821
Remuneration to Directors including allowances	97,50,000	52,50,000
Commission to Directors	3,71,10,666	2,54,26,046
Stores & Spares & Packing Materials	16,40,30,165	11,03,05,792
Power & Fuel	39,58,14,930	28,48,72,625
Repairs & Maintenance - Plant & Machinery	1,04,28,061	82,86,829
Repairs & Maintenance - Wind Electric Generator	18,89,075	3,06,461
Rent, Rates & Taxes	2,23,40,962	35,00,474
Insurance	50,06,105	32,32,223
Carriage Outward	10,02,25,657	7,60,89,849
Others	8,34,55,883	6,83,62,683
Remuneration to Auditors		
As auditors	7,66,545	5,46,545
Towards certification and other services	1,75,000	1,12,850
Total	92,19,80,218	65,74,24,991
Schedule 19		
INTEREST & FINANCE CHARGES		
Interest	12,27,53,018	8,51,71,734
Bank Charges	98,53,733	93,68,861
Processing charges	29,75,833	25,18,050
Total	13,55,82,584	9,70,58,645

Notes forming part of Consolidated Accounts

Schedule 20

- 1. (A) Accounting convention:** The accompanying financial statements are prepared in accordance with historical cost convention.
 - (B) Fixed Assets and Depreciation:** Fixed Assets and Depreciation: Fixed assets are stated at cost, less depreciation provided on straight line basis at the rates and in the manner specified in Schedule-XIV to the Companies Act, 1956. In respect of additions made during the year, depreciation is provided on pro-rata basis. Fixed assets of subsidiary company Bhagyanagar Chemicals Limited are depreciated on written down value basis at the rates and in the manner specified in schedule-XIV.
 - (C) Investments:** Investments are stated at cost of acquisition.
 - (D) Inventories:**
 - a) Finished goods including R & D products are valued at lower of cost or Net Realizable Value. Cost for this purpose is arrived at on absorption costing basis.
 - b) Stock in process / plant is valued at cost.
 - c) Stock of raw materials, Stores and Spares and packing materials are valued at cost.
 - (E) Staff Benefits:**
 - a. Provident Fund Contributions are accounted on accrual basis.
 - b. The company has taken a policy of Group Gratuity Scheme of LIC. All contributions made under the scheme are charged to revenue.
 - (F) Research and Development:** Revenue expenditure on Research and Development is charged to profit and loss account in the year in which it is incurred. Capital expenditure on research and development is treated at par with fixed assets and depreciated as such under the Companies Act, 1956.
 - (G) Deferred Taxation:** Accounting treatment in respect of deferred taxation is in accordance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.
 - (H) Sales Tax Benefits:** Shortfall / increase in sales tax benefits accruing to the company are accounted for in the year in which the final assessment by the concerned authorities is completed.
 - (I) Borrowing Costs:** Costs in respect of borrowings for the purpose of expansion / additional fixed investments including R & D projects, till such assets are put to use, are capitalized to such investments.
 - (J) Foreign Currency Transactions:** Foreign Exchange Transactions are recorded at pre-determined standard exchange rates which are reviewed periodically. Gains or losses arising out of such periodic revisions of such standard rates and also on realization are accounted for accordingly.
- 2.** In accordance with the General Clarification (GC) - 5/2002 Accounting Standards-2 I Consolidated financial statements issued by The Institute of Chartered Accountants of India, additional statutory information disclosed in the separate financial statements of the subsidiary and /or parent company having no bearing on the true and fair view of the consolidated financial statements is not again disclosed in the consolidated financial statements.

3. Previous year's figures have been recast wherever considered necessary.

Signatories to schedules 'I' to '20'

As per our report of even date

For V. Sridhar & Co.,

Chartered Accountants,

FRN No. 006206S

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor

Membership No. 202337

Secunderabad, April 28, 2011

A. Prathap Reddy

Managing Director

G. Hemanth Reddy

Whole-time Director

Hemish Purushottam

Company Secretary

Consolidated Cash Flow Statement for the Year 2010-2011

Rupees in Lakhs

Particulars	Current Year	Previous Year
A. Cash flows from operating activities		
Profit before interest and tax	5,651.17	4,103.78
Other income considered	(193.15)	(145.63)
Depreciation	829.52	687.46
Non Cash Charges (Loss on Sale of Asset)	3.92	--
Increase in Current Liabilities	947.28	731.40
Increase (-)/ Decrease (+) in Inventories	(3,859.87)	110.04
Increase in Debtors	(701.89)	(822.15)
Increase in Other Current Assets, Loans & Advances	(702.49)	(1,360.70)
Less: Income tax including dividend distribution tax	(557.53)	(347.40)
Add: Goodwill written off (Non cash charge)		20.42
Cash flow from Operating Activities	<u>1,416.96</u>	<u>2,977.20</u>
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(5,730.35)	(1,673.49)
Sale of Fixed Asset	16.95	(3.37)
Long term investments made	(415.00)	(10.78)
Other Income	193.15	145.63
Cash flow from Investing activities	<u>(5,935.25)</u>	<u>(1,542.01)</u>
C. Cash Flow from Financing Activities		
Secured loans	6,577.09	(209.82)
Interest paid	(1,355.82)	(970.59)
Dividend	(162.00)	(129.60)
Cash Flow from Financing Activities	<u>5,059.27</u>	<u>(1,310.01)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	540.98	125.18
Cash and cash equivalents (beginning of the year)	362.06	236.93
Cash and cash equivalents (end of the year)	903.04	362.11
Increase in cash and cash equivalents (closing minus opening balances)	540.98	125.19

As per our report of even date

For V. Sridhar & Co.,

Chartered Accountants,

For and on behalf of the Board of Directors

Vemulapati Sridhar

Proprietor

Membership No. 202337

Secunderabad, April 28, 2011

A. Prathap Reddy

Managing Director

G. Hemanth Reddy

Whole-time Director

Hemish Purushottam

Company Secretary

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary Company: Bhagyanagar Chemicals Limited

Rupees

Sr. No.	Particulars	Current Year (2010-2011)
1.	Paid up Share Capital	1,30,00,000
2.	Reserves	(1,66,06,938)
3.	Total Assets	41,12,787
4.	Total Liabilities	77,19,725
5.	Investments	1,00,000
6.	Turnover (Lease Rentals)	1,20,000
7.	Profit/ (Loss) before Tax	(2,41,829)
8.	Provision for Income Tax	--
9.	Profit/(Loss) after Tax	(2,41,829)
10.	Proposed Dividend	--



Form for ECS Mandate / Bank Mandate

Sathguru Management Consultants Private Limited

A/C Balaji Amines Limited

Plot No. 15, Hindi Nagar,

Punjagutta,

Hyderabad - 500034

Dear Sir,

I/We.....do hereby authorize Balaji Amines Limited to

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Services (ECS) - ECS Mandate.*
- Print the details of my Bank account as furnished below, on my dividend warrant which will be mailed to me-Bank Mandate*

(*Strike out whichever is not applicable)

Folio No..... DP ID.....

(For Shares held in physical form)

Client ID.....

A. Name of First holder.....

B. Bank Name.....

C. Branch Name.....

D. Branch Address (for ECS Mandate only).....

E. Bank Account Number.....

F. Account Type (Saving / Current).....

G. 9 Digit Code Number of the bank & branch.....

Appearing on the MICR cheque

(for ECS Mandate only)

I hereby declare that particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Balaji Amines Limited will not be held responsible.

.....
Signature of first named shareholder
(as per specimen lodged with the Company)

Note: Please attach a blank cancelled cheque or a photocopy of a cheque issued by your bank relating to your above account.

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Balaji Amines Limited

Registered Office: 165-A, 'Balaji Bhavan', Railway Lines
Solapur – 413001, Maharashtra

PROXY FORM

Regd. Folio No./DPID & Client ID No..... No. of Shares:.....

I / We.....

of.....

being member(s) of Balaji Amines Limited hereby appoint.....

of.....

..... on my / our behalf of as indicated below
at the 23rd Annual General Meeting of the Company to be held at 11.30 am on Thursday, 28 July 2011 and
at any adjournment thereof.

Agenda Item	Vote*	Agenda Item	Vote*
No.1		No.2	
No.3		No.4	
No.5		No.6	

Signed this the..... day of.....2011.

Affix
Re. I/-
Revenue
Stamp

* Please state in this column whether 'in favour of' or 'against'

Note: Proxy Form duly completed must reach the Company's Corporate Office at least 48 hours before
the commencement of the meeting.

Balaji Amines Limited

Registered Office: 165-A, 'Balaji Bhavan', Railway Lines
Solapur – 413001, Maharashtra

23rd Annual General Meeting

ATTENDANCE SLIP

DP ID No:.....

Master Folio No:.....

Client ID:.....

No of Shares:.....

Name and Address of the Shareholder

.....
.....

I hereby record my presence at the 23rd Annual General Meeting of the Company, being held on
Thursday, 28 July 2011 at 11.30 am at the Registered Office of the Company.

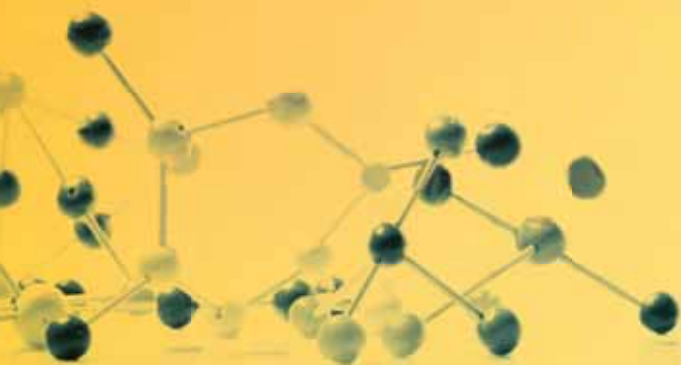
Signature(s) of the member(s) or proxy present.





SBH Honours Mr A. Prathap Reddy

On 30 April 2011, on the occasion of the 69th Bank Day of State Bank of Hyderabad, a special function was organized at Ravindra Bharathi, Hyderabad. Mr A. Prathap Reddy (MD, Balaji Amines) was specially felicitated by Ms Renu Challu (MD, State Bank of Hyderabad) as one of the Bank's most valued customers.



An ISO 9001:2008 Company

Registered Office

Balaji Bhavan, 165 / A, Railway Lines
Solapur, Maharashtra - 413001

Administrative Office

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

Factories

Unit 1

Tammalwadi Village
Tuljapur Taluk
Osmanabad District
Maharashtra - 413623

Unit 2

Plot No 4 & 5
Beside APSEB Sub-Station 2
IDA, Bollaram - 502325
Medak District, AP

Unit 3

Plot No E-7 & E-8
MIDC, Chincholi
Solapur - 413255, Maharashtra